

The U.S. Balance of Payments: Fourth Quarter and Year 1970

The liquidity deficit was \$0.6 billion in the fourth quarter, about the same as in the third. For the year 1970 there was a sharp improvement in the recorded liquidity balance, but after adjusting for special financial transactions, estimated outflows of U.S. funds to the Eurodollar market, and the 1970 allocation of SDR, the underlying liquidity deficit was \$4.8 billion, slightly larger than in 1969.

The official reserve transactions balance worsened in the fourth quarter. For the year it shifted to a record deficit of \$9.8 billion from a \$2.7 billion surplus in 1969. The change mostly resulted from an easing of monetary conditions in the United States relative to those abroad.

The balance on goods, services, and unilateral transfers improved in 1970, mainly because of a substantial rise in the merchandise trade surplus. However, there were increases in U.S. corporate net capital outflows, in net outflows on U.S. Government grant and capital transactions, and in other private and foreign capital net overflows (other than liquid liabilities).

The balance on the official reserve transactions basis shifted to a record deficit of \$9.8 billion (\$10.7 billion excluding SDR) in 1970 from a surplus of \$2.7 billion in 1969. In the fourth quarter, it was in deficit by \$3.3 billion (\$3.5 billion excluding SDR), seasonally adjusted, a deterioration of \$1.5 billion from the third.

The liquidity balance

The liquidity balance is intended to be a broad indicator of potential pressures on the dollar resulting from changes in our liquidity position, and is measured by changes in U.S. official reserve assets and in liquid liabilities to all foreigners. However, this measure has been distorted by special financial transactions—mostly shifts of funds held by foreign official agencies and by international and regional organizations between liquid and nonliquid categories. Such shifts represent no real change in our underlying position. In 1969, the liquidity balance was also distorted by flows of U.S. funds—mostly unrecorded—to the Eurodollar market, which were returned to the United States through the foreign branches of U.S. banks. In 1970, distortions due to such flows were much less important.

Special financial transactions had a favorable impact of \$0.4 billion on the liquidity balance in 1970 compared with an adverse effect of \$0.6 billion in 1969. Outflows of U.S. funds to the Eurodollar market, mostly through unrecorded transactions, apparently dropped steeply from an estimated \$1.9 billion in 1969 to only \$0.3 billion in 1970. (Errors and omissions above a "normal" \$1.0 billion outflow are taken as a rough indicator of such Eurodollar

flows.) These favorable shifts of about \$2.6 billion, together with the \$0.9 billion initial SDR allocation, more than accounted for the \$3.2 billion improvement in the recorded liquidity balance in 1970. The underlying liquidity deficit in 1970 may have been about \$4.8 billion, slightly larger than the \$4.5 billion underlying deficit estimated for 1969.

Favorable developments in 1970 included a \$1.5 billion increase in the merchandise trade surplus and a \$0.6 billion decline in net U.S. purchases of foreign securities. These changes were more than offset by a \$0.7 billion decline in foreign purchases of U.S. securities, a \$0.5 billion increase in net outflows of U.S. corporate capital, a \$0.3 billion increase in outflows through bank-reported claims, a \$0.4 billion shift in other private capital, and a \$0.5 billion shift in U.S. Government grants and capital transactions.

In the fourth quarter 1970, special financial transactions had a net negative impact of \$5 million compared with \$70 million in the third, and errors and omissions shifted favorably by \$0.8 billion. Adjusted for these transactions, the underlying liquidity deficit increased \$0.8 billion. Adverse developments consisted of an \$0.8 billion shift in bank-reported claims, a \$0.5 billion reduction in the trade surplus, and a \$0.3 billion deterioration in U.S. Government grants and capital transactions. These changes were partly offset by a \$0.3 billion improvement in the balance on services, a \$0.3 billion reduction in U.S. net purchases of foreign securities, and a \$0.2 billion reduction in net outflows of U.S. corporate capital.

THE U.S. balance of payments on the liquidity basis was in deficit by \$3.8 billion for the year 1970. This was an improvement of \$3.2 billion from the \$7.0 billion deficit in 1969. Excluding the first annual allocation of SDR amounting to \$0.9 billion, the deficit was \$4.7 billion in 1970. In the fourth quarter, the liquidity balance, seasonally adjusted, was in deficit by \$0.6 billion (\$0.8 billion excluding allocations of SDR), a slight improvement from the comparable third quarter balance.

NOTE.—Leonard Campbell, Richard Johnson, Nancy Keith, George Kruer, and Russell Scholl also made significant contributions.

The "official" balance

The official reserve transactions balance is intended to be an indicator of immediate exchange market pressures on the dollar during the reporting period. In addition to changes in U.S. official reserve assets, it takes account of changes in both liquid and certain non-liquid liabilities, but only those to foreign official agencies. This measure has been distorted by some of the special financial transactions, although usually to a much smaller extent than the liquidity balance. Shifts of funds by foreign official agencies between deposits in U.S. banks and Eurodollar deposits have also distorted this balance, but information about such shifts is fragmentary.

For the full year 1970, the official reserve transactions balance showed a deterioration of \$12.5 billion from 1969, despite the improvement in the recorded liquidity balance. This shift was largely due to a \$14.9 billion adverse swing in the flow of foreign private liquid funds, from an \$8.7 billion inflow in 1969 to a \$6.2 billion outflow in 1970.¹ The change mostly reflected an easing of monetary conditions in the United States relative to those abroad.

Speculative pressures were limited and exchange markets were relatively quiet in 1970.

Outflows of foreign private liquid funds were \$1.9 billion in the first quarter, negligible in the second, \$1.5 billion in the third, and \$2.9 billion in the fourth. They reflected the reduction by U.S. banks in liabilities to their foreign branches. Mainly as a result of the large deterioration in the flow of foreign private funds in the fourth quarter, the official reserve transactions deficit increased to \$3.3 billion from a deficit of \$1.8 billion in the third quarter.

Major financial and economic developments

U.S. monetary policy was very restrictive in 1969, and U.S. banks found it difficult to compete for domestic time and savings deposits because of limits placed on interest rates payable on such

deposits under provisions of Federal Reserve Regulation Q. The banks therefore shifted their competition to the Eurodollar market where their branches were able to offer higher interest rates on deposits than the parent banks could pay in the United States. These rates were high enough to induce some foreigners to exchange their currencies for dollars with the result that dollar reserves of foreign central banks were drawn down.

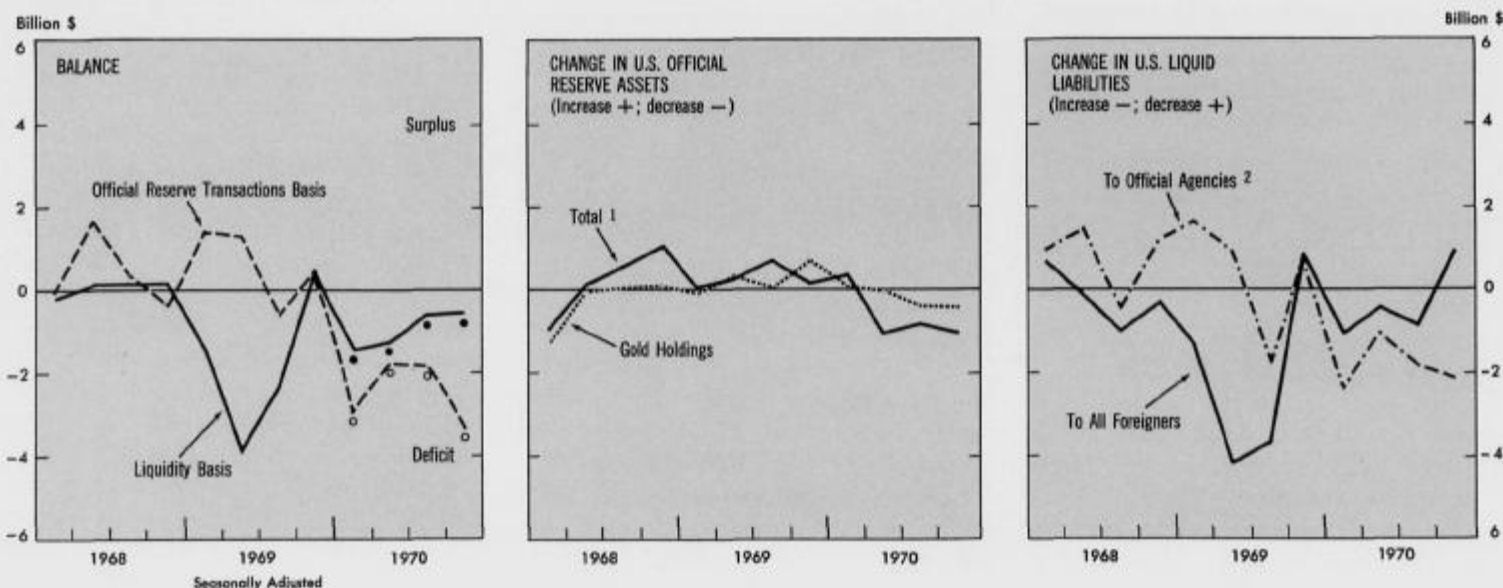
In the fall of 1969 the Federal Reserve imposed reserve requirements on U.S. banks' liabilities to their foreign branches above an historical base. By that time the banks had developed means of competing for domestic funds through the sale of commercial paper by bank holding companies. Further opportunities for banks to compete for domestic funds came in January 1970 when the limits on interest rates paid to domestic depositors were raised, and in June when the ceilings on large short-term CD's were suspended.

As a result of these developments and the easing in domestic credit markets in 1970, the banks' need for Eurodollar funds declined, and their liabilities to their foreign branches

1. If the recorded liquidity balance is adjusted to exclude changes in certain nonliquid liabilities to foreign official agencies, it shows a deficit of \$3.6 billion in 1970. The difference between that deficit and the official deficit of \$9.8 billion equals the \$6.2 billion outflow of foreign private liquid funds. The adjusted liquidity deficit shows an improvement of \$2.4 billion over 1969. That improvement less the \$14.9 billion deterioration in the flow of foreign private liquid funds equals the \$12.5 billion deterioration in the official balance.

CHART 14

Balance of International Payments



○ Official balance excluding allocation of SDR ● Liquidity balance excluding allocation of SDR
 1. Includes changes in gold, SDR, convertible currencies, and IMF gold tranche. 2. Includes certain nonliquid liabilities to foreign official agencies.
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dropped sharply, in some cases below historical bases. The branches were encouraged to use some of the funds to increase loans to foreign borrowers, and Eurodollar lending rates fell sharply; the 3- to 6-month rate was 7 percent in December 1970 compared with 11 percent a year earlier. Foreign business enterprises, faced with relatively tight credit conditions in their own countries, sharply increased borrowing in the Eurodollar market, and converted the dollars into local currencies. As Eurodollar lending and deposit rates declined relative to local rates, the incentive for private foreign residents to shift into dollars declined. These developments accounted for the large shifts of liquid dollar holdings from foreign private to foreign official accounts. In order to slow down these shifts the Federal Reserve in November amended its regulations in an attempt to discourage U.S. banks from further reducing liabilities to their branches.

The United Kingdom had substantial dollar reserve gains as large amounts of Eurodollar funds were drawn in by relatively high interest rates and by renewed confidence in sterling. These reserve gains were used to liquidate official debts. Germany's reserve holdings of U.S. dollars also rose sharply through most of the year, reflecting the effect of high local interest rates resulting from credit policies designed

to control inflation. Canada, Japan, France, Italy, and a number of other countries also had significant increases in dollar reserves. The large increase in Canadian reserves was a factor in the decision of the Canadian Government to shift temporarily from a fixed to a floating exchange rate at the end of May.

The changes in U.S. monetary conditions relative to those abroad and the resulting shifts in foreign dollar holdings primarily affected the official reserve transactions balance. However, both the liquidity and official balances were influenced by other developments here and abroad. The sluggishness of the domestic economy was reflected in reduced capacity pressures and slower growth in domestic demand for foreign goods. U.S. imports (after adjustment for temporary distortions due to strikes) rose at a somewhat slower rate in 1970 than in the 2 preceding years. The growth of output in foreign industrial countries also slowed during 1970. After a fairly large advance in the first quarter, foreign production remained nearly stationary during the rest of the year, and this was a major factor in the leveling of U.S. exports in the second half.

World trade was affected by exceptionally large price rises in late 1969 and 1970, reflecting worldwide inflationary tendencies. Both U.S. and for-

eign wholesale prices rose sharply (chart 15). However, during 1970 wholesale prices of manufactured goods in the United States apparently increased less than the average of the dollar equivalent of wholesale prices in foreign industrial countries. (The foreign indexes are adjusted for changes in par values and weighted by their share in exports of manufactured goods.) Unit value indexes of U.S. exports and imports of finished manufactures (which are affected by shifts in composition as well as by changes in price) increased even more in 1970 than wholesale prices here and abroad. Import unit value indexes rose more rapidly than export unit values. The revaluation of the German mark apparently resulted in increased dollar prices not only for German goods, but also for similar goods produced in other countries, and the appreciation of the Canadian dollar after May also contributed to the increase in the U.S. import index.

By the end of the year the United States had apparently regained much of the competitive price position lost in late 1967 and early 1968 after the devaluation of the British pound. However, in the interim foreign suppliers captured an increased share of U.S. domestic as well as foreign markets in many commodities, and they cannot be expected to relinquish these gains easily.

Table A1.—Summary of U.S. International Transactions

(Millions of dollars, seasonally adjusted)

Line	Lines in tables 1, 2, and 3 in which transactions are included are indicated in ()	1969	1970 *	Change: 1970-1969	1969				1970				Change: 1970- III-IV
					I	II	III	IV	I *	II *	III *	IV *	
1	Balance on goods and services (24)²	1,940	3,073	1,733	231	202	1085	822	846	1,030	1,000	784	-216
2	Personal and government transfers (27, 30)³	-1,100	-1,387	-197	-270	-294	-318	-300	-228	-300	-304	-320	-26
3	U.S. private and foreign capital (32, 33 through 38)⁴	-793	-2,107	-1,314	410	-1,443	-310	430	-772	-1,038	34	-331	-365
4	U.S. Government grants and capital (29, 41, 57, 58)⁴, 5	-3,506	-3,985	-479	-842	-1,078	-084	-619	-068	-1,008	-883	-1,135	-244
5	Allocations of SDR (32)		887	887						217	217	215	
6	Errors and omissions (63)	-2,841	-1,274	1,567	-1,107	-371	-100	163	-208	-770	-538	245	780
7	Special financial transactions (table A2, line 1)	-028	387	415	207	-374	-618	57	-251	683	-08	-7	61
8	BALANCE ON LIQUIDITY BASIS, including allocations of SDR (table 3, line 2) = total of above lines 1-7	-7,412	-3,848	3,564	-1,362	-3,801	-2,270	438	-1,449	-1,235	-880	-554	36
9	Plus: Inflow (+) of foreign private liquid funds (table 7, lines 15a, 20, 25)	8,710	-8,242	-14,068	2,832	4,743	1,180	-48	-1,872	-44	-1,491	-2,886	-1,404
10	Adjustment for changes in certain nonliquid liabilities to foreign official agencies (an increase is shown with a negative sign) (table A2, line 3, sign reversed)¹	900	271	-726	-37	374	517	142	428	-301	248	106	-140
11	BALANCE ON OFFICIAL RESERVE TRANSACTIONS BASIS, including allocations of SDR (table 3, line 16) = total of above lines 8 through 10	2,790	-8,819	-12,519	1,463	1,315	-882	514	-2,501	-1,780	-1,515	-3,323	-1,868

* Revised. * Preliminary. † Portion of III.
1. Excludes special financial transactions (see table A2).
2. Excludes transfers under military grants.
3. Excludes military and other U.S. Government grants.
4. Excludes liquid liabilities.

5. All of the changes in "certain nonliquid liabilities" are included among the special financial transactions (line 7); net increase in such liabilities improves the liquidity balance. The balance on official reserve transactions, however, is not affected by changes in "certain nonliquid liabilities" since they are considered part of the financing of this balance.

NOTE.—Details may not add to totals because of rounding.

Financing the Balances

U.S. official reserve assets decreased \$2,477 million during the year 1970. The drop reflected: (1) a decrease of \$787 million in gold holdings; (2) an increase of \$851 million in SDR holdings (the initial allocation was \$867 million); (3) a decline of \$2,152 million in holdings of convertible foreign currencies, mostly reflecting net repayments by foreigners of drawings on mutual swap facilities; and (4) a decrease of \$389 million in our gold tranche position at the IMF (essentially our automatic drawing rights).

Liquid liabilities to all foreigners increased \$1,371 million in 1970. This increase and the \$2,477 million decrease in reserve assets equaled the \$3,848 million liquidity deficit (including the SDR allocation). Liquid liabilities to foreign commercial banks decreased

\$6,511 million, of which \$6.3 billion was a decline in U.S. banks' liabilities to their foreign branches. Liquid liabilities to foreign official agencies increased \$7,613 million; those to international and regional organizations increased \$177 million; and those to other foreigners increased \$92 million.

The 1970 deficit of \$9,819 million on the official reserve transactions balance (including the SDR allocation) equaled the \$7,613 million increase in liquid liabilities to official foreigners, minus a \$271 million reduction in certain non-liquid liabilities to official foreigners, plus the \$2,477 million decrease in U.S. reserve assets.

In the fourth quarter, U.S. official reserve assets decreased \$1,040 million. (Figures in this section are not seasonally adjusted.) The decline consisted

of: (1) a \$422 million decrease in gold holdings, largely owing to payment of the \$385 million gold portion of the increase in this country's IMF quota; (2) a \$140 million decrease in SDR holdings; (3) a \$469 million drop in holdings of convertible foreign currencies; and (4) a \$9 million decline in our gold tranche position at the IMF as repayments by foreigners of U.S. dollars to the IMF more than offset the \$385 million U.S. gold payment. (The impact of \$548 million of purchases of U.S. gold by foreign countries to fill the gold portion of their increased IMF quotas was mitigated through the IMF sale of \$548 million of gold to the United States in the fourth quarter.)

Liquid liabilities to all foreigners decreased \$949 million in the fourth quarter. The \$1,040 million decrease in reserve assets, minus the decrease in liquid liabilities, equaled the liquidity deficit of \$91 million. Liquid liabilities to foreign commercial banks dropped \$3,487 million; the drop was almost en-

Table A2.—Special Financial Transactions
(Millions of dollars, seasonally adjusted)

Line	(Favorable effect on balance+) Lines in tables 1, 2, and 3 in which transactions are included are indicated in ()	1969	1970 *	Change: 1970-1969	1969				1970				Change: 1970-1969
					I	II	III	IV	I*	II*	III*	IV*	
	Total:												
1	Effect on balance measured on liquidity basis ¹	-328	367	695	297	-374	-518	57	-251	408	-68	-7	61
2	Effect on balance measured on official reserve transactions basis ²	-78	410	487	-14	34	-102	64	78	141	77	128	61
3	Certain nonliquid liabilities to foreign official agencies decrease (-) (table 3, line 31) ³	-396	-271	125	37	-374	-517	-142	-420	694	-248	-104	349
4	Long-term liabilities reported by U.S. banks (54) ⁴	-834	-606	228	-43	-108	-308	-206	-154	-235	-233	-164	40
5	Long-term liabilities reported by U.S. Government (57) (58) ⁴	-102	635	737	30	-170	-127	64	-200	736	-13	79	91
6	Nonconvertible U.S. Treasury securities issued: To Italy in connection with military purchases in the United States (57) ⁴	-11	-111	-100	-5	-1	-1	-4	-14	-80	-3	-5	-2
7	To Canada: In connection with Columbia River power rights (57) ⁴	-30	-30	0	-3	-7	-6	-7	-6	-7	-8	-7	1
8	Other (58) ⁴	-173	1,100	1,265	-250	-250	78	304	800	800	0	0	0
9	To Germany (58) ⁴	240	-542	-781	125	124	-100	-100	-542	-542	-542	-542	-542
10	To other countries (58) ⁴	-120	120	0	0	0	0	0	0	0	0	0	0
11	Export-Import Bank obligations: To be liquidated against U.S. claims (57) ⁴	-4	-4	0	-2	-2	-2	-2	-2	-2	-2	-2	0
12	Other (58) ⁴	-70	70	0	-10	-46	-15	0	0	0	0	0	0
13	U.S. Treasury obligations to Germany to be liquidated against U.S. claims (57) ⁴	0	32	32	0	0	0	0	0	0	0	0	0
14	Liabilities to international and regional organizations; decrease (-).....	446	319	-127	184	-34	163	135	56	51	891	-29	-130
15	Long-term liabilities reported by U.S. banks (54) ⁴	110	-105	-215	0	0	100	1	2	-53	15	-79	-84
16	Investment in unguaranteed U.S. Government agency bonds (53) ⁴	330	324	-6	185	-43	51	124	64	64	50	58	-36
17	Other special financial transactions.....	-78	419	497	-14	34	-182	64	72	141	77	128	51
18	Long-term banking liabilities to Germany (54) ⁴	0	108	108	0	0	0	0	0	55	55	55	55
19	German Government 10-year loan to U.S. Government (58) ⁴	0	76	76	0	0	0	0	0	76	76	76	76
20	Special deposits in accounts with U.S. Treasury (57) ⁴	0	0	0	0	0	0	0	0	0	0	0	0
21	Non-scheduled repayments of U.S. Government credits (including sales of foreign obligations to foreigners) (55) ⁴	0	0	0	0	0	0	0	0	0	0	0	0
22	Collected from Germany ⁴	0	0	0	0	0	0	0	0	0	0	0	0
23	Collected from other countries.....	0	144	144	0	0	0	0	0	14	14	14	14
24	Newly issued securities of Canadian Government (54) ⁴	0	15	15	0	0	0	0	0	0	0	0	0

* Revised. * Preliminary. (Portion of line. * Less than \$500,000 (4).

1. Includes all special financial transactions (lines 3 through 23).

2. Includes only special financial transactions in lines 17-23.

3. Transactions in connection with Columbia River power rights regularly occur in fourth quarter. They have been seasonally adjusted.

4. Transactions under agreements to offset U.S. military expenditures in Germany.

NOTE.—Details may not add to totals because of rounding.

irely accounted for by a decline in U.S. banks' liabilities to their foreign branches. Liquid liabilities to foreign official agencies increased \$2,261 million, those to international and regional organizations increased \$77 million, and those to other foreigners increased \$200 million.

Special Financial Transactions

For the full year 1970, special financial transactions improved the liquidity balance by \$365 million, a favorable shift of nearly \$1 billion from the \$630 million adverse effect in 1969 (table A2). The official reserve balance was improved by \$420 million in 1970 through such transactions, a shift of about \$0.5 billion from the \$80 million adverse effect in 1969. The favorable effects on the liquidity balance were concentrated in the second quarter while those on the official reserve transactions balance were spread throughout the year.

There was a \$270 million decline in nonliquid liabilities to foreign official agencies in 1970. This adversely affected the liquidity balance but had no effect on the official reserve transaction balance. Bank-reported liabilities declined \$805 million and Government liabilities increased \$535 million. The latter change included large purchases, especially in the second quarter, of nonconvertible Treasury securities by Canada. These purchases were partly offset by a reduction in German holdings early in the year, when Germany was adjusting to the initial impact of its revaluation.

Also affecting only the liquidity balance was a \$220 million increase in liabilities to international and regional organizations. This was the net result of \$325 million of purchases of U.S. Government agency bonds and a \$105 million reduction in U.S. bank-reported liabilities.

Other special financial transactions had a favorable impact of \$420 million on both the liquidity and the official balances. These transactions included

The fourth quarter deficit of \$3,172 million on the official reserve transactions basis consisted of the \$2,261 million increase in liquid liabilities to official foreigners, minus a \$129 million reduction in certain nonliquid liabilities to official foreigners, plus the \$1,040 million drop in U.S. reserve assets.

\$315 million of U.S. receipts from Germany under the agreement to offset the foreign exchange cost of military expenditures there, and \$120 million of receipts from sales of foreign obligations to Japan.

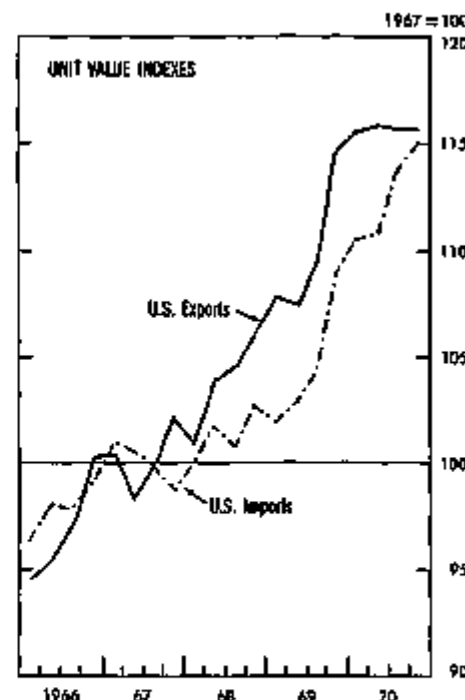
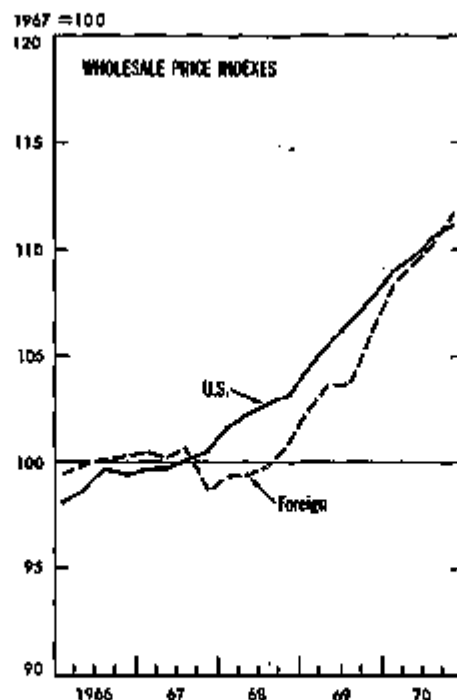
In the fourth quarter, special financial transactions adversely affected the liquidity balance by only \$5 million compared with \$70 million in the third.

The official reserve transactions balance was favorably affected by \$130 million in the fourth quarter and by \$75 million in the third.

Nonliquid liabilities to foreign official agencies decreased \$105 million in the fourth quarter. Bank-reported liabilities to foreign official agencies declined \$185 million, but Government liabilities increased \$30 million, mainly reflecting a \$90 million sale of nonconvertible U.S. Treasury securities to Canada. Liabilities to international and regional organizations declined \$80 million. These transactions affected only the liquidity balance.

Other special financial transactions in the fourth quarter favorably affected both balances by \$130 million. Included were \$90 million received under the agreement to offset U.S. military expenditures in Germany and \$40 million received from sales to Japan of certificates of beneficial interest by the Export-Import Bank.

Wholesale Price and Unit Value Indexes,
Manufactured Goods



Note: Wholesale price indexes are for manufactured goods. The foreign index is an average of the U.S. dollar equivalent of wholesale price indexes (taking into account changes in exchange rates) in Canada, Japan, United Kingdom, and EEC countries, weighted by each country's exports of manufactured goods. Unit value indexes are for finished manufactures.

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CHART 15

Goods and Services

The balance on goods and services improved \$1.7 billion in 1970 to a \$3.7 billion surplus (table B1). Most of the improvement was in the merchandise account. The balance on military transactions was about the same as in 1969. The \$0.3 billion deterioration in the balance on travel was more than offset by improvements in the balance on other service transactions and investment income.

The surplus on goods and services was \$0.8 billion in the first quarter and \$1.0 billion in the second and third. It dropped back to \$0.8 billion in the fourth, but was, nevertheless, still well above the 1969 quarterly figures. The fourth quarter decline reflected a \$0.5 billion drop in the merchandise trade surplus that was partly offset by improvements in the balances on military transactions and investment income.

Merchandise trade

The merchandise trade surplus was \$2.2 billion for the year 1970, compared

with \$0.5 billion in the 2 preceding years. Exports were \$42.0 billion in 1970, up \$5.6 billion (15 percent); imports were \$39.9 billion, up \$4.0 billion (11 percent). (All figures are on a balance-of-payments basis, which excludes "military" exports and imports of the Defense Department and reflects various other adjustments to the trade data reported by the Census Bureau.)

The trade balance shifted to surplus in mid-1969 after being in deficit for three quarters, and improved steadily through mid-1970. It then leveled in the third quarter and dropped a sharp \$0.5 billion to only \$0.2 billion in the fourth.

The surplus in trade with developed countries increased \$1.0 billion in 1970 (table B2). The trade balance with Western Europe improved \$1.5 billion, but the trade deficit with Canada increased from \$0.8 billion in 1969 to \$1.6 billion in 1970, as U.S. exports fell and imports rose. The surplus with the developing countries increased \$0.6 billion.

Exports. The 15-percent rise in exports in 1970 followed increases of about 9 percent in the 2 preceding years. The 1970 improvement is overstated, however, because exports in 1969 were depressed by the dockworkers' strike. With an adjustment to remove the effects of that strike, exports are estimated to have grown about 13 percent in 1969 and about 12 percent in 1970. The 1970 rise included a \$1 billion increase (after dock strike adjustment) in agricultural exports. Initial deliveries of new model commercial airplanes in 1970 contributed to the \$0.3 billion expansion in aircraft exports. However, exports of automotive products to Canada, which had risen strongly in the years since the 1965 United States-Canadian automotive trade agreement, dropped slightly in 1970 even after adjustment for the effects of the GM strike in the fourth quarter.

Exports of all other goods (after adjustment for the 1969 dock strike) rose about \$3.2 billion in 1970, about \$1.0 billion less than the increase in 1969. Most of the 1970 increase was in exports of machinery and industrial supplies, primarily fuel, steel, and other

Table B1.—Goods and Services

(Millions of dollars, seasonally adjusted)

Line	Lines to tables 1, 2, and 3 in which transactions are included are indicated in ()	1969	1970 *	Change: 1969-1970	1969				1970				Change: 1969 III-IV
					I	II	III	IV	I	II	III	IV	
1	Exports of goods and services (2)	55,514	62,962	7,448	18,988	14,196	14,582	14,767	15,364	15,798	15,969	15,831	-138
2	Merchandise, adjusted, excluding military (3)	30,473	42,041	11,568	7,486	9,490	9,008	9,594	10,252	10,286	10,700	10,502	-197
3	Transfers under military sales contracts (4)	1,515	1,479	-36	391	313	455	362	250	430	330	454	116
4	Transportation (5)	3,133	2,005	-1,128	634	680	827	843	860	677	840	912	-38
5	Travel (7)	2,068	2,218	150	281	520	510	518	640	570	639	608	-31
6	Other services (8 through 10)	3,408	2,544	-864	835	896	878	860	920	573	897	662	-235
7	Income on U.S. investments abroad (11 through 13)	8,838	9,017	179	2,039	2,160	2,280	3,314	2,408	2,307	2,394	2,417	23
8	Direct investments (11)	6,039	6,085	46	1,343	1,370	1,455	1,472	1,605	1,418	1,497	1,578	78
9	Other private assets (12)	2,797	2,911	114	616	640	688	611	654	648	678	630	-48
10	U.S. Government assets (13)	993	911	-82	228	231	243	231	240	251	224	200	-18
11	Imports of goods and services (14)	53,064	58,293	5,229	11,438	13,934	13,597	14,075	14,539	14,759	14,959	15,417	458
12	Merchandise, adjusted, excluding military (15)	35,836	40,808	4,972	7,586	9,582	9,280	9,404	9,729	9,829	10,087	10,511	484
13	Military expenditures (16)	1,800	1,527	-273	1,182	1,187	1,220	1,245	1,178	1,255	1,210	1,193	-16
14	Transportation (17)	3,006	3,523	517	675	607	680	678	840	670	1,073	1,001	72
15	Travel (18)	2,300	2,910	610	325	320	375	380	524	388	488	577	189
16	Other services (19, 20)	1,414	1,440	26	344	342	361	372	305	368	380	403	23
17	Income on foreign investments in the United States (21, 22)	4,408	4,109	-299	1,071	1,071	1,240	1,240	1,343	1,220	1,287	1,140	-147
18	Private payments (21)	3,580	4,551	971	719	681	1,042	1,044	1,138	1,085	1,004	842	-162
19	U.S. Government payments (22)	777	1,555	778	180	139	198	200	210	235	283	317	134
20	Balance:												
21	Goods and services total (2, 14)	2,949	3,672	723	331	352	485	492	846	1,019	1,000	784	-216
22	Merchandise, adjusted, excluding military (3, 15)	338	2,156	1,818	103	72	327	480	628	757	719	182	-535
23	Military transactions (4, 16)	-3,335	-5,598	-2,263	-607	-974	-732	-805	-922	-825	-871	-741	130
24	Transportation (5, 17)	-477	-387	90	118	80	117	164	101	123	123	80	43
25	Travel (7, 18)	-1,882	-1,898	16	-319	-333	-350	-352	-365	-472	-487	-394	83
26	Other services (8 through 10, 19, 20)	2,079	2,304	225	491	544	527	518	556	555	611	540	-71
27	Investment income (11 through 13, 21, 22)	4,375	4,805	430	1,184	1,070	1,040	1,067	1,164	987	1,207	1,267	280

* Revised. * Preliminary.

1. Excluding transfers under military grants.

Note.—Details may not add to totals because of rounding.

metals. The slower rise in 1970 was largely the result of reduced growth abroad. As shown in chart 16, the growth of foreign production has been slowing down since the first half of 1969, and, after a short lag, U.S. export growth also slowed.

Exports rose only \$0.1 billion in the third quarter of 1970, after increasing \$0.3 billion in each of the three preceding quarters. In the fourth quarter, they dropped \$0.2 billion. The GM strike was a major factor contributing to that decline, as automotive exports fell \$235 million, with \$210 million of the decline in exports to Canada. The slowdown in foreign business affected exports of steel, which declined about \$90 million after having dropped \$55 million in the third quarter. Machinery exports dipped \$50 million, after gains in the first three quarters of the year. Agricultural exports, less affected by cyclical developments abroad, continued to rise, although the gain moderated to \$60 million from \$110 million in the third

quarter. Fuel exports also rose, mainly coal to Europe and domestic crude oil to Caribbean refineries. Aircraft exports rose \$60 million after a dip of \$200 million in the third quarter.

Imports. Strikes distorted imports as well as exports in the past few years. If adjustments are made to exclude the large amounts of copper imported during the 1968 strike in the domestic industry and the effects of the 1969 dockworkers' strike and the 1970 auto strike, the rise in imports in 1970 amounted to about 10 percent, down from 13 percent in 1969. The deceleration was attributable mainly to Canadian auto imports, whose growth slowed from \$0.8 billion in 1969 to about \$0.2 billion in 1970 (after strike adjustment). This was the first period in which the growth rate declined since the adoption of the United States-Canadian automotive agreement. Other imports rose \$3.4 billion in 1970, about \$0.1 billion more than in 1969.

A slowdown in import growth was to

be expected in view of the slackening in the U.S. economy. However, imports did not follow the decline in GNP growth as closely in 1970 as in earlier periods (chart 17). Part of the import strength probably reflected the strength of personal consumption expenditures, which rose 7 percent in 1970 while total GNP rose only 5 percent. In the 2 preceding years the growth of consumption and of total GNP had been nearly the same. Also contributing to the import rise was the 7-percent advance in import unit values in 1970, the largest annual gain since the Korean war.

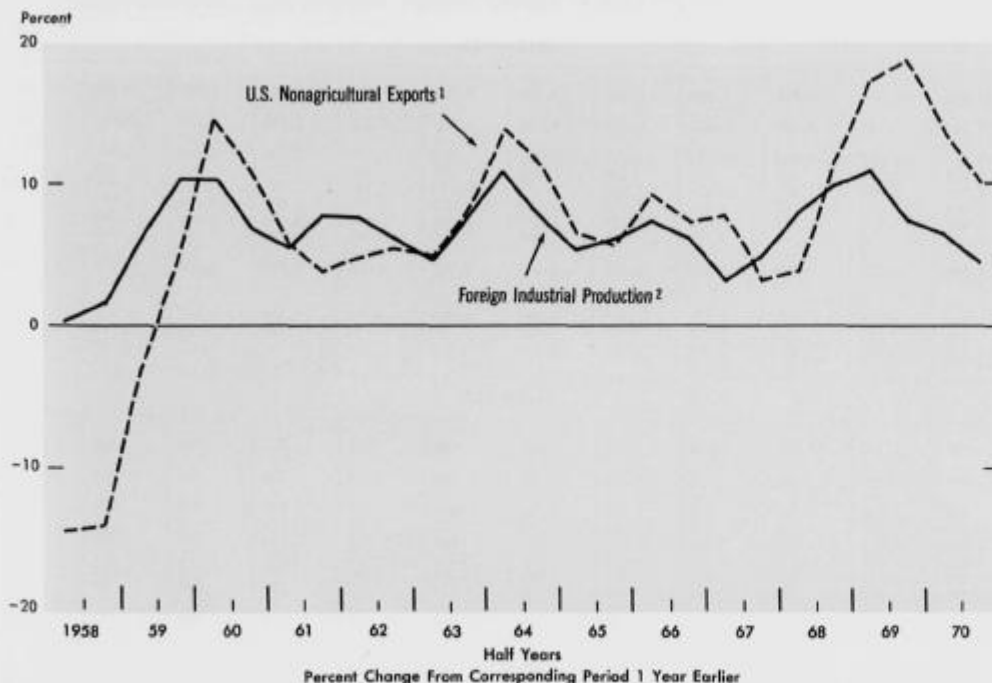
There was some slowing in the growth of imports in the second and third quarters of 1970, but in the fourth quarter they rose \$300 million, almost matching the large first quarter gain. Among the major changes in the fourth quarter was a \$140 million rise in steel imports. The increase was principally in shipments from Western Europe. The easing of business activity in several of the major countries in that area placed European suppliers in a position to fill their unused annual allowances for U.S. steel imports under the voluntary restraint agreement. With threatened shortages of fuel supplies in certain parts of the United States, petroleum imports also rose substantially in the fourth quarter. Expanded quotas permitted crude oil imports from Canada to increase, and quota-free residual fuel oil imports from nearby Caribbean refineries rose. Imports of foods and other consumer goods also increased. Auto imports from Canadian plants dropped, reflecting the effects of the GM strike on Canadian as well as U.S. production. Most other imports showed only minor changes.

Military transactions

Military expenditures were relatively flat during 1970. For the full year, they were \$4,840 million, about \$15 million less than in 1969. Expenditures in Asia (including Japan) and in Australia were down about \$110 million, and those in Canada about \$40 million, but there was a \$150 million rise in Europe. Reductions in expenditures for con-

CHART 16

Percent Change in U.S. Nonagricultural Exports and Percent Change in Industrial Production in Major Foreign Industrial Countries



1. U.S. nonagricultural exports are adjusted to exclude automotive exports to Canada, exports of aircraft, and effects of major U.S. and foreign strikes and abnormal exports of silver in 1968.

2. Industrial production in Canada, Japan, United Kingdom, Germany, France, Italy, and the Netherlands weighted by these countries' percentage shares in U.S. exports.

U.S. Department of Commerce, Office of Business Economics

struction and other activities abroad were offset by pay increases for U.S. and foreign personnel and by worldwide price rises. Transfers under military sales contracts dropped only about \$35 million in 1970 to \$1,479 million. Thus, the adverse balance on military transactions remained about \$3.4 billion.

In the fourth quarter, the balance on military transactions improved \$130 million to a deficit of \$740 million, as transfers under military sales contracts increased \$115 million and military

expenditures declined \$15 million. Most of the rise in sales reflected increased shipments to Israel and to the United Kingdom.

Although overall defense expenditures changed little from the third to the fourth quarter, there was considerable variation in transactions by areas and programs. Defense outlays in the area comprising "other Asia and Africa" continued the downward trend which began late in 1969. They dropped to \$450 million in the fourth quarter

1970 as combined outlays for construction and purchases of petroleum declined. (Area data are not seasonally adjusted.) The Defense Department apparently elected to draw down petroleum stocks since activities were being reduced in Southeast Asia. Expenditures in Japan rose \$15 million in the fourth quarter. About half of the increase reflected year-end bonuses paid to Japanese laborers working for U.S. military agencies or defense contractors and severance payments to discharged

Table B2.—U.S. Merchandise Exports and Imports, by Major World Area¹—Balance of Payments Basis

(Millions of dollars, seasonally adjusted)

	1966	1970 *	Change: 1966-70	1969 *				1970				Change: 1970 III-IV
				I	II	III	IV	I *	II *	III *	IV *	
EXPORTS												
Total, all countries (line 3, tables 1, 2, 8).....	36,473	42,841	6,368	7,485	8,439	8,808	9,999	10,252	10,588	10,700	10,803	-187
Agricultural goods.....	6,041	7,252	1,211	965	1,735	1,804	1,878	1,714	1,756	1,805	1,824	50
Nonagricultural goods.....	30,432	35,589	5,157	6,520	6,704	6,994	8,121	8,538	8,832	8,895	8,979	-250
Developed countries, total.....	24,074	29,496	5,422	4,493	5,448	5,785	6,982	7,225	7,483	7,558	7,528	-330
Western Europe.....	11,638	14,263	2,625	2,304	2,998	3,082	3,344	3,489	3,840	3,884	3,820	-25
United Kingdom.....	2,080	2,823	743	467	817	823	872	809	883	830	884	18
Other Western Europe (incl. EEC).....	9,558	11,440	1,882	1,837	2,181	2,259	2,472	2,680	2,957	3,054	2,936	-43
Canada.....	9,170	9,698	528	2,354	2,718	2,380	2,340	2,275	2,332	2,348	2,107	-240
Japan.....	2,803	4,054	1,251	681	877	945	1,001	1,204	1,152	1,210	1,189	-20
Australia, New Zealand, and South Africa.....	1,354	1,881	527	252	383	358	288	307	380	420	393	-30
Developing countries, total.....	10,709	12,845	2,136	1,992	2,991	2,843	2,908	2,927	3,105	3,142	3,275	150
Latin American Republics and other Western Hemisphere.....	5,532	6,404	872	1,105	1,492	1,449	1,474	1,571	1,691	1,825	1,897	72
Eastern Europe.....	253	367	114	35	60	77	81	82	93	87	96	14
Other countries in Asia and Africa.....	4,924	5,984	1,060	852	1,439	1,317	1,352	1,274	1,400	1,420	1,482	62
IMPORTS												
Total, all countries (line 14, tables 1, 2, 8).....	25,535	19,855	-5,680	7,688	8,562	9,281	8,681	8,729	9,829	9,987	10,311	329
Developed countries, total.....	22,168	28,888	6,720	6,491	7,011	7,793	6,539	7,876	7,120	7,272	7,518	246
Western Europe.....	10,214	11,227	1,013	1,880	2,070	2,145	2,816	2,716	2,798	2,802	3,001	190
United Kingdom.....	2,112	2,310	198	406	600	565	635	607	541	541	585	14
Other Western Europe (incl. EEC).....	8,102	8,917	815	1,474	2,378	2,178	2,880	2,109	2,245	2,261	2,416	148
Canada.....	8,964	10,702	1,738	2,411	2,450	2,479	2,662	2,676	2,672	2,677	2,682	5
Japan.....	4,803	6,805	2,002	1,094	1,315	1,287	1,288	1,383	1,400	1,514	1,580	66
Australia, New Zealand, and South Africa.....	1,055	1,154	99	210	270	200	274	303	258	270	206	16
Developing countries, total.....	3,367	1,067	-2,300	2,497	2,551	2,488	2,485	2,653	2,706	2,715	2,793	78
Latin American Republics and other Western Hemisphere.....	5,217	5,019	-198	1,103	1,367	1,330	1,385	1,461	1,518	1,487	1,480	13
Eastern Europe.....	169	218	49	41	56	51	52	50	51	52	52	27
Other countries in Asia and Africa.....	4,283	4,722	439	853	1,138	1,106	1,128	1,137	1,140	1,107	1,261	154
BALANCE												
Total, all countries.....	634	3,185	2,551	-103	-72	237	486	523	757	115	192	-521
Developed countries, total.....	-823	495	1,318	1	-555	-26	143	149	363	286	-298	-576
Western Europe.....	1,424	2,025	1,601	424	22	330	639	773	824	762	878	-164
United Kingdom.....	-80	307	387	1	-83	-42	37	42	123	75	79	4
Other Western Europe (including EEC).....	1,510	2,019	1,509	423	104	361	592	731	702	687	799	-188
Canada.....	-815	-1,044	-229	-157	-233	-108	-313	-400	-340	-331	-375	-244
Japan.....	-1,300	-1,241	59	-303	-438	-342	-287	-280	-257	-205	-291	-86
Australia, New Zealand, and South Africa.....	200	447	247	37	83	68	114	95	134	150	95	-22
Developing countries, total.....	1,120	1,687	567	-104	493	355	343	374	394	422	452	65
Latin American Republics and other Western Hemisphere.....	375	479	104	-47	125	127	80	170	83	168	217	89
Eastern Europe.....	54	140	86	-6	10	28	29	27	42	45	34	-12
Other countries in Asia and Africa.....	751	868	117	-51	358	212	235	237	260	223	231	8

¹ Revised. ² Preliminary.

1. Annual country and area data shown in this table match the corresponding annual data in table 6, lines 3 and 15. Seasonally adjusted quarterly data, by country and area, shown in

this table are computed from corresponding unadjusted quarterly data in table 6, lines 3 and 15.

Note.—Seasonally adjusted quarterly details may not add to unadjusted annual totals.

foreign nationals. The rest of the increase reflected larger purchases of Japanese products for the post exchange system.

In Western Europe a decline in payments for NATO infrastructure was more than offset by increased construction expenditures in Germany, and by payments to the United Kingdom under an aircraft procurement program.

Investment income

Receipts of income on U.S. investment abroad rose nearly \$0.8 billion in 1970 to \$9,615 million. Since payments of income on foreign investments in the United States increased about \$0.7 billion to \$5,110 million, the balance improved only \$0.1 billion.

Income on U.S. direct investments abroad rose \$456 million to \$6,095 million in 1970. This increase was in line with those in 1967 and 1968, but was about \$200 million less than the increase in 1969 when an unusually large amount of dividends was paid from prior years' earnings.

In the fourth quarter, income from U.S. direct investment abroad increased \$78 million to \$1,575 million. This was close to the peak of \$1,605 million reached in the first quarter of the year. Higher taxes and other costs in oil-producing countries, partly offset by increased prices for oil in Europe and rising profits from tanker operations, and depressed metal prices adversely affected income of the petroleum, mining and smelting industries. However, there were some unusually large dividends received from European manufacturing affiliates by a few major U.S. companies.

U.S. income receipts from other private assets rose \$345 million to \$2,610

million in 1970. These receipts peaked in the third quarter, then dropped off as interest rates on outstanding short-term loans declined. Income receipts from U.S. Government assets were about the same in 1970 as in the previous year, as the decline in earnings on convertible currency holdings about offset the continuing increase on long-term credit.

U.S. payments of income on foreign investments in the United States reached a record in the first half of 1970, but then declined as interest rates on outstanding U.S. liquid liabilities fell. In the fourth quarter, payments were \$125 million less than in the third quarter.

U.S. Corporate Capital

In 1970 the net outflow of U.S. corporate capital rose by \$0.5 billion to \$1.9 billion. The increase was about the same as in the previous year. Direct

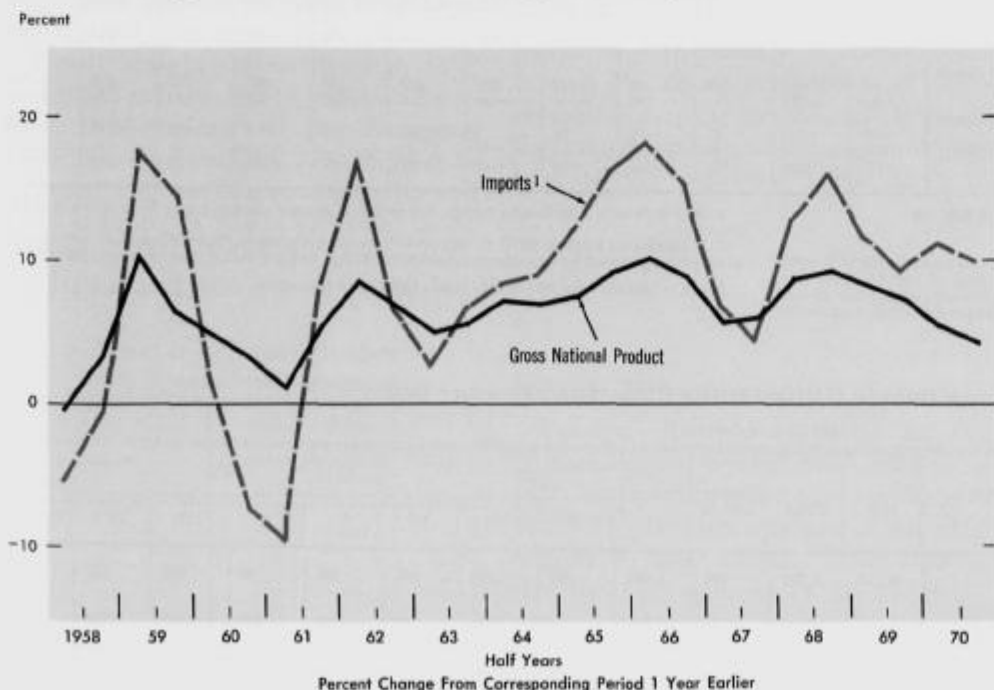
investment outflows rose \$0.9 billion in 1970, but that increase was partly offset by a \$0.4 billion rise in U.S. corporate borrowing abroad and a slight drop in outflows of other corporate funds (see table C2).

Nearly all of the change stemmed from a deterioration in flows with Western Europe. These dropped from an inflow of \$855 million in 1969 to an inflow of \$375 million in 1970, as net outflows for direct investment and other corporate claims increased more than net inflows from U.S. corporate borrowing in Europe. Net outflows to the rest of the world were about \$2.3 billion in both 1969 and 1970. A \$0.3 billion increase in direct investment outflows in 1970 was offset by a reduction in outflows for corporate claims on nonaffiliated foreign residents.

In the fourth quarter, U.S. corporate flows shifted favorably by \$170 million to a small inflow. This shift was similar in direction and magnitude to the change in the fourth quarter of 1969. Direct investment outflows dropped \$300 million, perhaps reflecting the efforts of U.S. corporations to bring their 1970 foreign transactions within the requirements of the OFDI program. This favorable change was augmented

CHART 17

Percent Change in U.S. GNP and Percent Change in U.S. Imports



1. U.S. imports are adjusted to exclude automotive shipments from Canada to the United States and effects of major U.S. strikes and initial effects of closure of Suez Canal in 1967.

Table C1.—U.S. Private and Foreign Capital¹

(Millions of dollars, seasonally adjusted)

Line	Credits (+); debits (-) (Lines in tables 1, 2, and 3 in which transactions are included are indicated in ())	1969	1970 *	Change: 1969-1970	1969				1970				Change: 1970 III-IV
					I	II	III	IV	I'	II'	III'	IV'	
1	U.S. private and foreign capital (32), 52 (through 56) 1, 2	-195	-2,107	-1,912	419	-1,443	-218	418	-772	-1,438	34	-331	-345
2	U.S. corporate capital (assets and liabilities) (table C2, line 1)	-1,430	-1,807	-367	-420	-843	-167		-690	-762	-158	12	-345
3	U.S. corporate long-term claims associated with foreign direct investment in the United States		-280	-280									
4	Foreign direct investment in the United States (42)	832	876	44	240	164	162	270	445	163	216	89	-117
5	U.S. transactions in foreign securities (34 through 36) 1	-1,479	-877	602	-304	-630	-97	-00	-123	05	-540	-261	-268
6	Foreign securities newly issued in the United States (34) 1	-1,562	-1,457	105	-531	-269	-97	-281	-128	-01	-602	-284	-268
7	Redemptions (35) 2	478	434	44	180	85	80	180	127	128	101	81	-29
8	Other transactions in foreign securities (36) 2	-205	145	-350	87	-355	-70	29	100	32	12	-88	-79
9	Foreign transactions in U.S. outstanding securities (54) 3	1,747	1,620	126	803	286	117	571	48	20	441	530	87
10	Bonds (54) 3	182	337	155	51	104	-52	79	133	167	84	43	13
11	Stocks (54) 3	1,565	783	-782	752	182	169	492	-85	-87	357	487	100
12	Claims and nonliquid liabilities reported by U.S. banks (37, 38, 54) 3	-463	-376	-86	63	-490	254	-219	137	-460	149	-604	-830
13	Long-term claims (37)	330	201	-129	123	31	131	35	24	41	23	85	70
14	Short-term claims (38)	-671	-1,084	-413	-65	-521	18	-371	108	-500	115	-772	-800
15	Long-term liabilities (54) 3	45	8	-37	-6	12	35	17	5	9	7	-12	-10
16	Claims and liabilities reported by brokerage concerns (40, 50) 3	28	-37	-65	32	0	1	-14	-8	4	-64	-10	45
17	Claims (40) 3	280	-2	-282	115	-4	100	19	58	38	-21	-77	-56
18	Liabilities (50) 3	-282	-35	117	-83	13	-99	-33	-60	-34	-48	58	101
19	Special financial transactions (table A2, lines 4, 10, 16, 18, and 23)	-463	-478	-15	124	-229	-231	-71	-58	-139	-138	-159	-27

* Revised. * Preliminary. † Portion of line.

1. Excludes liquid liabilities.

2. Excludes special financial transactions shown in line 19.

3. Part of the \$480 million foreign direct investment in the United States (line 4) was 0-

nanced through a \$285 million long-term note held by a U.S. corporation. That U.S. corporate claim has been omitted from the total of U.S. corporate assets and liabilities in line 2 and is shown separately in line 3.

NOTE.—Details may not add to totals because of rounding.

Table C2.—Net Change in Foreign Assets and Liabilities of U.S. Corporations¹

(Millions of dollars, seasonally adjusted)

Line	Credits (+); debits (-) (Lines in tables 1, 2, and 3 in which transactions are included are indicated in ())	1969	1970 *	Change: 1969-1970	1969				1970				Change: 1970 III-IV
					I	II	III	IV	I'	II'	III'	IV'	
1	Total	-1,430	-1,897	-467	-420	-843	-167		-690	-762	-158	12	118
2	Direct investment (33)	-3,070	-3,967	-897	-902	-1,915	-877	-270	-1,411	-1,434	-711	-410	301
3	Other corporate claims:												
4	Long-term (30)	-424	-303	121	-82	-99	-13	-249	-95	-13	-132	-83	68
5	Short-term (30) 2	50	-32	82	-93	-11	148	22	24	-124	85	-28	-124
6	Corporate liabilities other than new issues of securities:												
7	Long-term (56)	491	775	284	248	60	145	231	170	343	165	88	-77
8	Short-term (56) 2	278	788	510	(*)	52	212	14	380	100	244	177	-77
9	New issues of securities sold abroad by U.S. corporations (53) 2	1,029	840	-189	401	162	218	288	165	247	170	248	78
10	Uses of funds obtained through new issues of securities sold abroad by U.S. corporations:												
11	Additions to, and refinancing of, direct investments (53) 2	1,080	840	-240	401	162	218	288	165	247	170	248	78
12	Short-term claims reported by U.S. residents other than banks (40) 3	-187	-150	37	-70	14		-131	-4	-8	-10	-188	-118
13	Reductions in corporate liabilities to foreign residents (54, 50) 3	-15	-15	0	-15	-15	-15	-87	-54	-128	-80	-100	-10
14	Transfers of funds to U.S. residents (50) 3	-190	-430	-240	-141	-15	-15	-87	-54	-128	-80	-100	-10

* Revised. * Preliminary. † Portion of line. * Less than \$400,000.

1. Excludes banking and brokerage claims and liabilities.

2. Excludes brokerage transactions.

3. Excludes funds obtained abroad by U.S. corporations through bank loans and other credits and also excludes securities issued by subsidiaries incorporated abroad. However, securities issued by finance subsidiaries incorporated in the Netherlands Antilles are treated as if they had been issued by U.S. corporations if the proceeds of such issues are transferred to U.S. parent companies.

4. A (-) reflects a decline in foreign deposits and money market paper held in the United States.

5. Excludes an increase in U.S. corporate long-term claims of \$280 million that was associated with increased foreign direct investment in the United States. See table C1, line 3.

NOTE.—Details may not add to totals because of rounding.

Table C3.—Transactions in U.S. Securities Other Than Treasury Issues

(Millions of dollars)

Line	Increase in foreign assets (+) (Transactions are included in tables 1, 2, and 3, in line 53)	1969	1970 *	Change: 1969-70	1969				1970				Change: 1970 III-IV
					I	II	III	IV	I'	II'	III'	IV'	
1	Total	2,112	2,203	-91	1,385	368	396	963	297	381	697	828	131
2	New issues of securities sold abroad by U.S. corporations (table C2, line 9)	1,020	840	-180	401	162	218	288	165	247	170	248	78
3	Investment by international and regional organizations in non-guaranteed U.S. Government agency bonds (table A2, line 16)	330	234	-96	184	-43	81	134	04	94	84	60	-30
4	Other transactions (table C1, line 9)	1,747	1,029	-718	803	260	117	571	48	20	441	530	87
5	Bonds (table C1, line 10)	182	337	155	51	104	-52	79	133	167	84	43	13
6	Stocks (table C1, line 11)	1,565	792	-773	752	156	169	492	-85	-87	357	487	100

* Revised. * Preliminary.

1. Proceeds from securities issued by finance subsidiaries incorporated in the Netherlands Antilles that are transferred to the U.S. parent companies are treated as if they had been

issued by U.S. corporations.

NOTE.—Details may not add to totals because of rounding.

by an \$80 million increase in sales of new issues abroad. Partly offsetting, however, were a \$155 million decline in other corporate borrowing and a \$55 million rise in outflows of other corporate funds

Direct investment

Direct investment outflows totaled \$4.0 billion in 1970, up \$0.9 billion from 1969. (If adjustment is made to omit negotiated liquidations in Latin America involving the sale of investments for foreign interest-bearing obligations, the 1970 rise would have been \$0.7 billion.)

The increase in 1970 probably reflects the extremely sharp 1970 rise (now estimated at 22 percent) in plant and equipment spending by foreign affiliates of U.S. corporations. (See "Plant and Equipment Expenditures by Foreign Affiliates of U.S. Corporations—Revised Estimates for 1970 and 1971," elsewhere in this issue.) The ratio of U.S. direct investment outflows to plant and equipment expenditures was about 30 percent in 1970, slightly higher than in 1969. Direct investment outflows were apparently used to a greater extent in 1970 as a source of financing the expansion of affiliates in Western Europe. Tight credit conditions abroad and easier conditions here may have contributed to this development.

Direct investment outflows in 1970 rose \$300 million to the United Kingdom, \$210 million to the European Economic Community, \$140 million to Canada, \$135 million to Australia, and \$130 million to the Caribbean area. Direct investment flows to Asia (excluding Japan) and Africa were unchanged,

but flows to the Latin American republics (after exclusion of negotiated liquidations) fell \$70 million and flows to international shipping companies dropped about \$170 million from the exceptionally high outflows in 1969.

Most of the 1970 rise in direct investment occurred in the first half of the year. This rise included a notable shift in intercompany short-term accounts from a credit of \$0.3 billion in the fourth quarter of 1969 to a debit of \$0.7 billion in the first quarter of 1970. A credit of \$0.4 billion was recorded in the fourth quarter 1970, and if the 1970 pattern is followed this may be reversed in the first quarter of 1971.

The pattern of quarterly direct investment flows has changed since the beginning of 1968 when the OFDI program was instituted to restrict outflows of U.S. capital for direct investment abroad, especially in Western Europe. U.S. corporations now make large year-end adjustments, apparently to meet the requirements of the program. The size of the yearend positioning (based on the swing from the third to the fourth quarter) in 1970 was in the same range as in 1969. However, circumstances in the 2 years were somewhat different, for in 1969 some of the direct investment funds returned may have been associated with repatriation of funds that had been shifted to Germany earlier in anticipation of the revaluation of the mark in October. If some correction is made for such repatriation, the 1970 yearend positioning would appear to be somewhat larger than in

1969. Of course, first quarter 1971 data are necessary to judge the size of the swing over the yearend (fourth quarter to first quarter). In 1969-70 the swing was clearly larger than in 1968-69.

In any case, it is clear that the quarterly pattern of flows in 1970 differed substantially from 1968 and 1969, the years on which the seasonal adjustment now used for 1970 was based. The new data will be taken into account when the seasonal adjustments are updated this spring, and the factors, at least for 1970, will probably be revised.

Corporate liabilities and claims

Corporate borrowing abroad—increases in liabilities—amounted to \$2.4 billion in 1970, compared with \$2.0 billion in 1969. Faced with prevailing high interest rates, U.S. corporations tended to favor short- and medium-term borrowing, especially in the first three quarters of the year. For the year as a whole short-term borrowing increased \$510 million to \$790 million, and medium-term borrowing rose \$85 million to \$775 million. On the other hand, new issues of bonds sold abroad dropped \$190 million to \$840 million.

Total claims on nonaffiliated foreigners increased \$335 million in 1970. The increase was nearly the same as in 1969, but long-term claims increased \$120 million less than in 1969 while short-term claims increased \$100 million more.

Other Capital Flows

U.S. Direct Investment (Outflow —)
(Billion dollars, not seasonally adjusted)

Quarter	Total	Inter-company short-term accounts	Other
1968: IV.....	-0.6	0.7	-1.2
1969: I.....	-1.0	.....	-1.0
II.....	-1.3	.....	-1.0
III.....	-0.9	.....	-0.6
IV.....	-0.2	.....	-0.6
1970: I.....	-1.6	-0.7	-0.8
II.....	-1.0	-0.2	-1.4
III.....	-0.8	-0.2	-0.6
IV.....	-0.1	0.4	-0.5

* Estimated.

1. Excludes negotiated liquidations in Latin America.

Foreign direct investment

Foreign direct investment in the United States totaled \$880 million in 1970 compared with \$830 million in 1969. New investments rose about \$150 million to \$690 million. The bulk of the new investment—\$530 million—was in two transactions by British companies. The first, which was made early in the year, was financed in large part by a long-term note issued to a nonaffiliated U.S. corporation. The

second, which occurred in the third quarter, was financed by an exchange of stock with the foreign parent. Thus, the two new investments had a neutral effect on the balance of payments. In 1969, new investment had been more diversified and included many investors from the Common Market. The 1970 rise in new investment was partly offset by a reduction in inflows on intercompany accounts.

Foreign securities

In 1970, U.S. net purchases of foreign securities totaled \$0.9 billion, \$0.6 billion less than in 1969. New issues declined a net \$0.2 billion. Issues by international and regional organizations increased nearly \$0.2 billion, but Canadian placements dropped \$0.5 billion. That decline was associated with a narrowing of bond yield differentials, buttressed by the Canadian authorities' efforts to encourage Canadian borrowers to use domestic markets.

Redemptions were down slightly in 1970, but trading in outstanding foreign securities, almost wholly in stocks, shifted favorably from net purchases of \$0.3 billion in 1969 to net sales of \$0.2 billion in 1970. Net purchases of Japanese stocks dropped from \$0.3 billion in 1969 to an insignificant amount in 1970. That shift was partly due to a weakening in Japanese stock prices and partly to the inclusion of purchases of Japanese stocks by U.S. nonbank financial institutions in the voluntary credit restraint program ceiling beginning in January 1970.

Net purchases of foreign securities by U.S. residents in the fourth quarter declined to \$260 million from \$550 million in the third. U.S. purchases of new issues declined \$380 million. New issue volume in the third quarter had been enlarged by \$130 million of stock received as payment for a foreign direct investment in the United States. New issues by Canada and the World Bank declined sharply in the fourth quarter, but the Inter-American Development Bank entered the market with a \$95 million placement.

Redemptions were \$80 million in the fourth quarter, \$20 million less than in the third. U.S. purchases of outstanding foreign securities totaled \$60 million in the fourth quarter, an adverse shift of \$70 million. Renewed interest in European stocks accounted for most of the rise in net purchases.

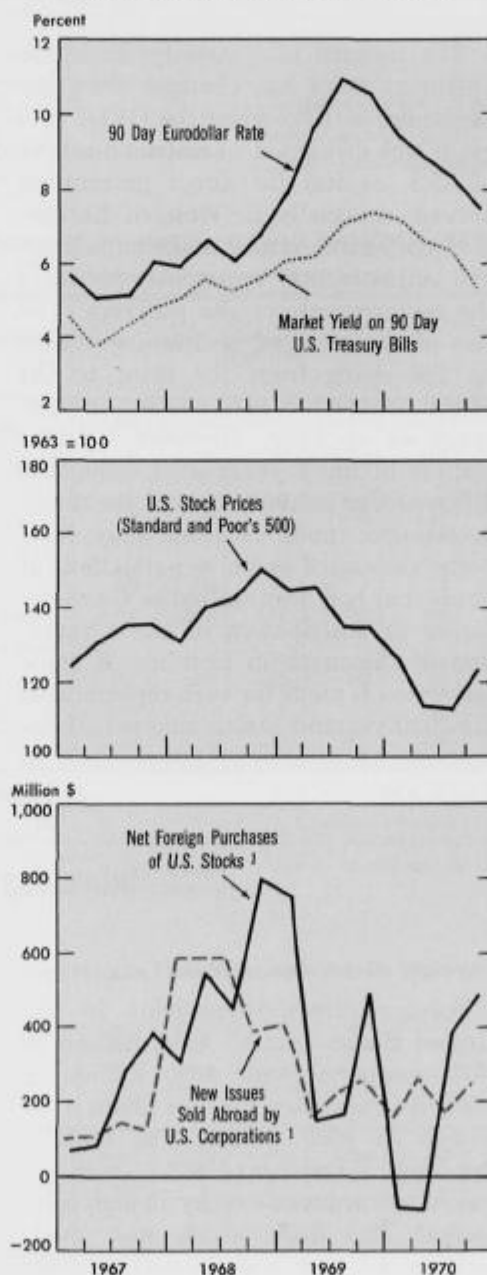
Outstanding U.S. securities

Net foreign purchases of U.S. stocks fell \$0.9 billion to \$700 million in 1970. Small net sales in the first half of the year reflected the weakness in the U.S. stock market and also the problems

affecting offshore mutual funds. After the midyear turnaround in U.S. stock prices, there was a shift to substantial net purchases amounting to \$385 million in the third quarter and \$485 million in the fourth.

Net foreign purchases of outstanding U.S. bonds increased \$0.2 billion in 1970 as foreigners were attracted, particularly during the first half of the year, by record yields on U.S. corporate bonds.

Selected Capital Market Developments



1. Data are adjusted for balance of payments purposes and exclude special financial transactions. See table C1, line 11 and table C2, line 7.

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Bank-reported claims

Claims reported by U.S. banks increased \$885 million in 1970; the 1969 increase was \$540 million. The increase in short-term claims was \$1,085 million in 1970, up from an \$870 million increase in 1969. There was a very large rise in acceptances and items in process of collection in 1970, a substantial decline in loans, and a moderate rise in deposits and money market paper. Japan accounted for almost half of the 1970 rise in short-term claims and Canada accounted for one-fourth of the rise. Long-term claims fell only \$200 million in 1970, after having declined \$330 million in 1969.

Claims subject to the general ceiling under the foreign credit restraint program decreased about \$90 million during 1970, as an increase in the fourth quarter was more than offset by earlier decreases. Thus, the leeway was little changed from yearend to yearend; at the end of December such claims were \$650 million under their ceiling of \$9.95 billion. There was a steady increase throughout the year, totaling more than \$170 million, in claims subject to the export term-loan ceiling. Nevertheless, at the end of December they were more than \$1.2 billion below their ceiling of \$1.4 billion.

In the fourth quarter, bank-reported claims rose \$680 million after declining \$140 million in the third. Short-term claims rose \$770 million, mostly in acceptances. Other loans denominated in U.S. dollars declined somewhat but claims payable in foreign currencies rose. The large net outflow was evidently partly associated with the sharp drop in U.S. money market rates during the quarter. Japan accounted for over half the rise in short-term claims and an even larger part of the surge in acceptances. Canada accounted for about one-fourth of the short-term outflow. Long-term bank-reported claims dropped \$95 million in the fourth quarter, after declining \$25 million in the third.

Without seasonal adjustment, the fourth quarter outflow amounted to \$920 million. About two-thirds of that flow was in transactions subject to the foreign credit restraint program. Claims

subject to the general ceiling rose more than \$300 million after having dropped \$340 million in the third quarter. Claims

subject to the export term-loan ceiling rose \$35 million in the third quarter and \$48 million in the fourth.

in Export-Import Bank financing of military sales. These were partly offset by a \$65 million increase in assets resulting from the leasing of military aircraft to Australia.

Net outflows on grant and capital transactions dropped \$125 million in the third quarter, but in the fourth rose \$255 million to \$1,135 million. The adverse change resulted from a \$170 million reduction in U.S. Government liabilities, largely due to an increase in deliveries of goods and services associated with military sales contracts, and from an increase of \$50 million in outflows of U.S. Government capital.

U.S. Government Grants and Capital

In 1970, the net outflow on U.S. Government grants and capital transactions increased about \$480 million to almost \$4.0 billion (table D1). Grants and outflows of U.S. Government capital declined \$80 million, and scheduled repayments increased \$140

million. However, Government liabilities associated with military sales contracts shifted adversely by \$640 million. The adverse shift resulted from a \$510 million drop in cash receipts (net of principal collections), mainly from Germany, and a \$225 million decline

Table D1.—U.S. Government Grant and Capital Transactions

(Millions of dollars, seasonally adjusted)

Line	Lines in tables 1, 2, and 3 in which transactions are included are indicated in ()	1969	1970 *	Change: 1969-70	1969				1970				Change: 1970 III-IV
					I	II	III	IV	I	II	III	IV *	
1	Government grants (excluding military) and capital, net (20, 42 through 44, 46f, 57f, 58f)	-3,594	-3,594	-479	-843	-1,079	-954	-619	-958	-1,046	-883	-1,135	-254
2	Grants (excluding military), net (20)	-1,644	-1,647	-3	-382	-618	-572	-412	-411	-361	-438	-440	-4
3	Additions to assets (42, 43)	-3,386	-2,297	81	-776	-1,001	-891	-771	-807	-870	-755	-803	-62
4	Credit repayments (44, 45f)	1,334	1,475	141	240	328	245	324	333	395	388	306	-30
5	Liabilities other than marketable or convertible securities, net (57f, 58f)	192	-505	-697	-84	114	-96	240	-16	-160	-75	-244	-108
6	Special financial transactions (table A2, lines 5, 10 through 23)	-225	547	1,072	51	-145	-255	127	-193	323	55	163	88

* Revised. * Preliminary. † Portion of line.

1. Excludes special financial transactions shown in line 6.

NOTE.—Details may not add to totals because of rounding.

Table D2.—U.S. Government Grants and Transactions Increasing U.S. Government Assets

(Millions of dollars)

	1969	1970 *	Change: 1969-70	1969				1970				Change: 1970 III-IV
				I	II	III	IV	I	II	III	IV *	
Total (table 1, lines 29, 42, and 43, with sign reversed)	5,832	4,954	-77	1,830	1,664	1,089	1,164	1,304	1,372	1,065	1,318	123
Less: Estimated dollar payments to foreign countries and international and regional organizations (table 5, line A.24)	734	687	-47	171	290	104	166	178	108	150	191	41
Equals: Estimated transactions involving no direct dollar outflow from the United States (table 6, line A.26)	4,296	4,267	-30	664	1,445	894	905	1,120	1,264	915	1,027	111
Under farm product disposal programs	1,129	1,006	-121	195	407	178	255	317	330	201	249	43
Under Foreign Assistance Acts and related programs	1,782	1,706	-76	357	820	410	419	438	442	437	304	-33
Under Export-Import Bank Act	1,289	1,444	155	337	204	272	284	263	330	175	278	102
Other	180	374	215	49	48	35	35	63	87	113	112	-1

* Revised. * Preliminary.

1. The identification of transactions involving direct dollar outflow from the United States is made in reports by the operating agency. Such data for 1st and 2d quarters 1969 and for 3d

and 4th quarters 1970, however, are simple extrapolations by OMB, because of incomplete reports from one operating agency.

NOTE.—Details may not add to totals because of rounding.

Table 1.—U.S. International Transactions
(Millions of Dollars)

Line	(Credit +; debit -)	1960	1970*	1969				1970			
				I	II	III	IV	I†	II†	III†	IV†
1	Exports of goods and services.....	24,273	43,578	11,325	14,881	13,392	15,475	15,874	16,535	16,314	16,431
2	Excluding transfers under military grants.....	22,514	42,362	11,729	14,585	13,606	15,284	15,825	16,313	16,224	16,401
3	Merchandise, adjusted, excluding military ¹	20,478	42,541	7,438	9,872	8,985	10,186	10,129	11,032	10,030	10,860
4	Transfers under military sales contracts.....	1,515	1,470	380	480	480	264	488	383	424	424
5	Transfers under military grants, net.....	780	615	100	228	147	100	140	222	98	144
6	Transportation.....	2,131	2,600	607	845	680	781	810	940	1,016	999
7	Travel.....	2,068	2,318	437	548	691	492	490	617	716	496
8	Pass and royalties from direct investments.....	1,280	1,538	282	382	235	281	337	297	383	410
9	Other private services.....	1,793	1,944	434	440	436	444	490	492	484	467
10	Other U.S. Government services.....	378	382	84	106	90	93	97	87	163	83
11	Income on U.S. investments abroad:										
12	Direct investments ²	5,638	6,095	1,344	1,387	1,222	1,606	1,680	1,743	1,289	1,794
13	Other private assets.....	2,267	2,611	408	563	580	628	642	685	651	633
14	U.S. Government assets.....	109	911	184	220	104	326	197	241	166	238
15	Imports of goods and services.....	-23,564	-59,291	-11,912	-14,161	-14,388	-14,082	-15,837	-14,948	-15,686	-14,951
16	Merchandise, adjusted, excluding military ¹	-20,835	-49,856	-7,333	-9,730	-9,190	-9,694	-9,468	-10,054	-9,894	-10,530
17	Military expenditures.....	-4,808	-4,837	-1,106	-1,187	-1,220	-1,246	-1,178	-1,235	-1,210	-1,103
18	Transportation.....	-9,008	-4,032	-704	-1,082	-1,028	-877	-890	-3,084	-1,148	-909
19	Travel.....	-3,200	-3,916	-444	-870	-1,378	-663	-618	-1,090	-1,612	-666
20	Private payments for other services.....	-700	-813	-178	-179	-178	-178	-186	-288	-207	-203
21	U.S. Government payments for other services.....	-730	-727	-154	-147	-200	-200	-187	-182	-213	-204
22	Income on foreign investments in the United States:										
23	Private payments ²	-3,880	-4,064	-712	-837	-1,084	-1,118	-1,131	-1,088	-985	-704
24	U.S. Government payments.....	-777	-1,056	-186	-192	-188	-212	-208	-238	-277	-331
25	Balance on goods and services (lines 1 and 14).....	2,709	4,287	912	738	-396	1,402	1,337	1,537	-191	1,681
26	Excluding transfers under military grants (lines 2 and 14).....	1,949	3,672	714	594	-643	1,272	1,189	1,316	-391	1,458
27	Unilateral transfers, net (transfers to foreigners -).....	-1,584	-3,650	-826	-1,187	-786	-874	-983	-1,025	-841	-899
28	Excluding military grants.....	-2,334	-3,034	-838	-881	-680	-683	-754	-711	-761	-736
29	Private remittances.....	-784	-925	-157	-210	-200	-288	-210	-654	-287	-314
30	Military grants of goods and services ¹	-780	-615	-186	-225	-157	-180	-149	-222	-98	-151
31	Other U.S. Government grants.....	-1,544	-1,047	-574	-640	-328	-373	-444	-412	-285	-409
32	U.S. Government pensions and other transfers.....	-488	-402	-99	-102	-104	-182	-161	-118	-122	-122
33	Balance on goods, services, and unilateral transfers (lines 25 and 28, or 24 and 28) ²	-885	618	86	-378	-1,182	589	634	622	-1,032	734
34	Transactions in U.S. private assets, net; increase in assets (-).....	-5,233	-4,261	-1,347	-2,326	-792	-709	-1,831	-2,113	-1,661	-1,404
35	Direct investments ²	-3,070	-3,067	-992	-1,176	-607	-6	-1,461	-1,584	-761	-140
36	Foreign securities newly issued in the United States.....	-1,847	-1,457	-148	-277	-615	-315	-434	-99	-606	-315
37	Redemptions.....	478	494	139	86	80	182	127	125	101	81
38	Other transactions in foreign securities.....	-806	145	86	-307	-71	7	128	80	17	-89
39	Claims reported by U.S. banks:										
40	Long-term.....	330	261	132	31	131	36	24	61	23	13
41	Short-term.....	-371	-1,094	77	-588	265	-615	283	-565	273	-1,014
42	Claims reported by U.S. residents other than banks:										
43	Long-term.....	-421	-590	-82	-80	-12	-240	-381	-12	-132	-83
44	Short-term.....	200	-24	-118	-15	283	181	-69	-88	75	34
45	Transactions in U.S. Government assets, excluding official reserve assets, net; increase in assets (-).....	-2,184	-1,588	-478	-715	-849	-381	-486	-458	-388	-283
46	Loans and other long-term assets ¹	-3,477	-2,284	-982	-987	-702	-707	-874	-980	-707	-783
47	Foreign currencies and other short-term assets.....	80	-23	230	-98	-90	16	16	-40	84	-34
48	Repayments on credits:										
49	Scheduled.....	1,280	1,875	240	338	287	440	283	411	308	473
50	Unscheduled (including sales of foreign obligations to foreigners).....	-87	244	44	94	-154	-11	99	114	2	49
51	Transactions in U.S. official reserve assets, net; increase in assets (-).....	-1,187	2,477	-48	-299	-686	-154	-386	1,822	801	1,649
52	Gold.....	-967	787	66	-317	-11	-608	-44	14	395	1,422
53	EDR.....	-851	-851					-928	-37	-34	140
54	Convertible currencies.....	814	2,182	-73	246	-442	1,083	831	818	34	499
55	Gold franchise position in IMF.....	-1,084	880	-21	-228	-233	-542	-263	287	406	19
56	Transactions in foreign assets in the United States, net; increase in foreign assets (U.S. liabilities) (-).....	12,338	5,232	3,080	4,388	4,919	335	1,567	1,675	1,848	85
57	Direct investments ²	832	876	164	164	162	270	460	103	216	17
58	U.S. securities other than Treasury issues.....	3,112	2,208	1,288	365	308	963	297	291	607	626
59	Long-term liabilities reported by U.S. banks.....	-878	-704	-49	-174	-288	-188	-147	-215	-211	-221
60	Other liabilities reported by U.S. private residents other than banks:										
61	Long-term.....	601	776	150	58	146	381	78	343	105	188
62	Short-term.....	78	704	-83	65	113	-19	83	104	211	234
63	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions:										
64	Associated with specific transactions.....	135	-825	-70	44	-54	219	-44	-311	-45	-224
65	Other medium-term securities and long-term obligations.....	-41	723	95	-171	-115	150	-242	800	75	96
66	U.S. Treasury marketable or convertible bonds and notes ¹	-167	-80	1	-28	152	-281	-182	78	46	-27
67	Deposits and money market paper held in the United States ¹	8,308	1,451	1,315	4,194	3,508	-900	1,254	331	793	-627
68	Balance on transactions in U.S. and foreign liquid and non-liquid assets, including reserves (lines 27, 41, 44, and 61).....	3,728	-239	1,125	1,136	1,504	-438	-1,134	148	1,380	-635
69	Allocations of special drawing rights (SDR).....		887					867			
70	Errors and omissions, net.....	-2,841	-1,274	-1,222	-746	-729	-148	-167	-479	-346	-89

† Lines 32, 33, 34, 40, 44, 45, 50, 60, 61, and 62 have been revised.

* Preliminary.

1. Data for lines 3 and 18 are given in table 4 for lines 29, 42, 43, 57, and 60, in table 5; for lines 37 through 40, in table 6; and for lines 59 and 60, in table 7.

2. Excludes undistributed profits of subsidiaries.

3. The sum of lines 61 and 62 is numerically equal to net foreign investment in U.S. national income and product accounts.

4. Negative entry reflects repurchase of foreign obligations previously sold.
5. Reflects \$385 million payment of gold portion of increased U.S. subscription to the IMF in the 4th quarter of 1970.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 2.—U.S. International Transactions—Seasonally Adjusted

(Millions of dollars)

Line	(Credits +; debits -)	1969 ¹				1970			
		I	II	III	IV	I ²	II ²	III ²	IV ²
1	Exports of goods and services.....	12,157	14,422	14,739	14,967	15,513	16,420	14,439	15,585
2	Excluding transfers under military grants.....	11,941	14,185	14,632	14,767	15,364	16,798	14,569	15,431
3	Merchandise, adjusted, excluding military ¹	7,485	9,400	9,095	9,808	10,252	10,590	10,700	10,403
4	Transfers under military sales contracts.....	281	313	458	342	246	420	330	454
5	Transfers under military grants, net.....	196	224	147	190	149	222	90	154
6	Transportation.....	980	827	843	803	977	925	960	912
7	Travel.....	501	628	510	518	560	570	580	593
8	Fees and royalties from direct investments.....	227	364	317	342	364	480	306	289
9	Other private services.....	421	434	445	433	464	480	406	487
10	Other U.S. Government services.....	87	95	105	85	90	70	107	84
11	Income on U.S. investments abroad:								
12	Direct investments ¹	1,342	1,370	1,465	1,479	1,605	1,418	1,407	1,575
13	Other private assets.....	510	540	588	611	654	648	673	636
14	U.S. Government assets.....	228	281	283	231	240	241	224	204
15	Imports of goods and services.....	-11,430	-13,934	-13,827	-14,074	-14,518	-14,781	-14,469	-15,447
16	Merchandise, adjusted, excluding military ¹	-7,588	-9,562	-9,281	-9,404	-9,790	-9,820	-9,967	-10,311
17	Military expenditures.....	-1,108	-1,187	-1,220	-1,245	-1,178	-1,255	-1,218	-1,190
18	Transportation.....	-775	-607	-600	-587	-678	-670	-673	-600
19	Travel.....	-820	-855	-875	-840	-925	-868	-890	-877
20	Private payments for other services.....	-171	-178	-173	-183	-193	-206	-205	-208
21	U.S. Government payments for other services.....	-109	-174	-178	-180	-172	-180	-181	-183
22	Income on foreign investments in the United States:								
23	Private payments ¹	-710	-881	-1,042	-1,044	-1,133	-1,085	-984	-940
24	U.S. Government payments.....	-186	-180	-194	-200	-210	-235	-293	-317
25	Balance on goods and services (lines 1 and 15).....	527	488	913	893	995	1,361	1,080	931
26	Excluding transfers under military grants (lines 2 and 14).....	331	263	965	892	846	1,421	1,050	784
27	Unilateral transfers, net; transfer to foreigners (-).....	-846	-1,408	-837	-911	-888	-943	-890	-930
28	Excluding military grants.....	-612	-812	-840	-721	-739	-721	-690	-776
29	Private remittances.....	-171	-192	-214	-207	-227	-242	-242	-214
30	Military grants of goods and services.....	-106	-220	-157	-180	-140	-223	-90	-194
31	Other U.S. Government grants ¹	-342	-814	-372	-412	-411	-361	-425	-440
32	U.S. Government pensions and other transfers.....	-90	-102	-101	-101	-101	-118	-121	-122
33	Balance on goods, services, and unilateral transfers (lines 23 and 25, or 24 and 26) ²	-281	-858	-25	-29	107	338	290	8
34	Transactions in U.S. private assets, net; increase in assets (-).....	-1,231	-2,161	-365	-689	-1,711	-1,844	-1,376	-1,518
35	Direct investments ¹	-902	-1,015	-877	-876	-1,411	-1,434	-711	-410
36	Foreign securities newly issued in the United States.....	-596	-260	-571	-391	-420	-61	-609	-284
37	Redemptions.....	180	85	80	183	127	128	101	81
38	Other transactions in foreign securities.....	97	-255	-78	20	160	32	12	-58
39	Claims reported by U.S. banks: ¹								
40	Long-term.....	181	91	181	86	24	53	23	93
41	Short-term.....	-85	-632	98	-371	108	-538	138	-772
42	Claims reported by U.S. residents other than banks: ¹								
43	Long-term.....	-82	-40	-13	-240	-881	-13	-132	-83
44	Short-term.....	22	-15	248	41	82	-86	75	-105
45	Transactions in U.S. Government assets, excluding official reserve assets, net; increase in assets (-).....	-436	-611	-480	-488	-444	-364	-368	-412
46	Loans and other long-term assets ¹	-775	-1,091	-841	-771	-857	-870	-750	-588
47	Foreign currencies and other assets ¹								
48	Repayments on credits:								
49	Unscheduled.....	307	320	345	324	333	358	394	386
50	Nonrescheduled (including sales of foreign obligations to foreigners).....	44	34	-164	-11	88	114	3	40
51	Transactions in U.S. official reserve assets, net; increase in assets (-).....	-48	-209	-696	-154	284	805	584	824
52	Gold.....	50	-317	-11	-806	-44	14	205	1422
53	SDR.....					-270	-264	-261	-70
54	Convertible currencies.....	-73	240	-442	1,068	831	818	34	480
55	Gold tranche position in IMF.....	-31	-228	-233	-542	-253	227	405	19
56	Transactions in foreign assets in the United States, net; increase in foreign assets (U.S. liabilities) (+).....	3,174	4,519	5,225	1,369	1,770	1,747	1,498	837
57	Direct investments ¹	240	164	169	270	432	109	210	90
58	U.S. securities other than Treasury issues.....	1,388	365	306	683	207	281	897	828
59	Long-term liabilities reported by U.S. banks.....	-45	-174	-296	-188	-147	-215	-311	-221
60	Other liabilities reported by U.S. private residents other than banks:								
61	Long-term.....	256	50	146	221	170	343	185	88
62	Short-term.....	-83	66	113	-19	93	184	211	235
63	Nonresponsible liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions: ¹								
64	Associated with specific transactions.....	-70	306	-115	229	-54	-280	-80	-222
65	Other medium-term securities and long-term obligations.....	95	-171	-115	180	-242	400	75	80
66	U.S. Treasury marketable or convertible bonds and notes.....								
67	Deposits and money market paper held in the United States ¹	1,400	4,180	2,966	-290	1,185	430	10	-260
68	Balance on transactions in U.S. and foreign liquid and nonliquid assets, including reserves (lines 39, 41, 43, and 51).....	1,478	1,422	960	-832	-121	244	120	-469
69	Allocations of special drawing rights (SDR) ¹					217	217	217	215
70	Errors and omissions, net.....	-1,187	-871	-404	163	-261	-779	-635	245

¹Lines 1, 2, 3, 14, 15, 23, 24, 31, and 63 have been revised.²Revised. ³Preliminary.⁴Details for lines 3 and 15 are given in table 4; for lines 29, 42, 43, 47, and 68, in table 5; for lines 37 through 46, in table 6; and for lines 60 and 61, in table 7.⁵Excludes undistributed profits of subsidiaries.⁶The sum of lines 61 and 62 is numerically equal to net foreign investment in U.S. national income and product accounts.⁷Negative entry reflects repurchase of foreign obligations previously sold.⁸Reflects \$365 million payment of gold portion of increased U.S. subscription to the IMF in the 4th quarter of 1970.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 2.—U.S. Balance of Payments and Reserve Position

(Millions of dollars)

Line		1969†	1970*	1969†				1970				Amounts outstanding Dec. 31, 1970
				I	II	III	IV	I*	II*	III*	IV*	
1	Balance on liquidity basis excluding allocations of SDR—measured by increase in U.S. official reserve assets excluding SDR allocations and decrease in liquid liabilities to all foreigners; seasonally adjusted; decrease in net assets (—)	-7,812	-4,715	-1,382	-3,804	-2,273	420	-1,666	-1,452	-837	-789	
	Balance on liquidity basis including allocations of SDR—measured by increase in all U.S. official reserve assets and decrease in liquid liabilities to all foreigners:											
2	Seasonally adjusted; decrease in net assets (—)	-7,812	-3,846	-1,382	-3,804	-2,273	420	-1,449	-1,235	-698	-664	
3	Less seasonal adjustment			-84	16	693	-324	-763	197	1,060	-473	
4	Before seasonal adjustment (lines 2 and 3 with sign reversed)	-7,812	-3,846	-1,298	-3,816	-2,972	1,444	-686	-1,432	-1,629	-91	
5	U.S. official reserve assets (table 1 line 46); increase (—)	-1,187	2,477	-48	-290	-690	-184	-380	1,022	301	1,040	14,467
6	Gold ²	-987	787	66	-317	-11	-606	-44	14	385	423	11,072
7	SDR		-801					-828		-37	-34	851
8	Convertible currencies	814	2,162	-73	340	-442	1,063	831	819	34	490	227
9	IMF gold tranche position ³	-1,004	389	-31	-225	-233	-642	-253	227	490	0	1,024
10	Liquid liabilities to all foreigners (table 1, lines 50 and 60); decrease (—)	2,108	1,371	1,316	4,116	3,058	-299	1,072	410	838	-948	43,374
11	To official agencies	-517	7,013	-1,706	-638	2,235	-600	2,764	630	2,040	2,201	20,496
12	To commercial banks	9,217	-9,611	2,134	4,710	1,634	-187	-1,062	-190	-1,145	-3,587	17,172
13	To other foreign residents and unallocated ⁴	-451	92	-22	-145	-143	-131	-182	192	-148	209	4,683
14	To international and regional organizations	-80	177	-88	62	12	-66	142	-125	83	77	846
15	Balance on official reserve transactions basis excluding allocations of SDR—measured by increase in U.S. official reserve assets excluding SDR allocations and decrease in liquid and certain nonliquid liabilities to foreign official agencies; seasonally adjusted; decrease in net assets (—)	2,780	-9,688	1,453	1,316	-682	514	-2,118	-1,967	-2,032	-3,539	
	Balance on official reserve transactions basis including allocations of SDR—measured by increase in all U.S. official reserve assets and decrease in liquid and certain nonliquid liabilities to foreign official agencies:											
16	Seasonally adjusted; decrease in net assets (—)	2,780	-9,688	1,453	1,316	-682	514	-2,101	-1,789	-1,815	-3,383	
17	Less seasonal adjustment			-286	111	468	-311	-936	289	707	-161	
18	Before seasonal adjustment (lines 16 through 17, with sign reversed)	2,780	-9,688	1,739	1,244	-1,040	825	-1,996	-2,069	-2,512	-3,172	
19	U.S. official reserve assets (line 5); increase (—)	-1,187	2,477	-48	-290	-690	-184	-380	1,022	301	1,040	14,467
20	Liquid liabilities to foreign official agencies (line 11); decrease (—)	-517	7,013	-1,706	-638	2,235	-600	2,764	630	2,040	2,201	20,496
21	Certain nonliquid liabilities to foreign official agencies; decrease (—)	-900	-271	45	-307	-609	-106	-412	606	-228	-129	2,675
22	Liabilities reported by U.S. private residents (table 1, portion of line 64)	-634	-800	-43	-106	-300	-206	-154	-234	-233	-184	869
23	Liabilities reported by U.S. Government (table 1, portions of lines 67 and 68)	-102	536	88	-172	-119	41	-228	743	-5	65	2,180

† Data correspond to those published in the September 1970 SURVEY OF CURRENT BUSINESS.
 * Revised. † Preliminary.

1. Position figures reflect increases of \$67 million in convertible currencies (line 2), \$17 million in nonmarketable, convertible U.S. Treasury obligations (line 11), and \$84 million in nonliquid liabilities of U.S. Government (line 23), resulting from revaluation of German mark in October 1968. (In addition, nonmarketable U.S. Treasury notes amounting to \$125 million equivalent issued to a group of German commercial banks in June 1968 increased \$10 million in dollar value as a result of the German revaluation.)

2. Reflects \$385 million payment of gold portion of increased U.S. subscription to the IMF in the fourth quarter of 1970.

3. Includes deposits of foreign branches of U.S. banks and of foreign commercial banks, associated with their U.S.-dollar denominated liabilities to foreign official agencies.

4. May include U.S. Government bonds and notes held by foreign commercial banks.

Table 4.—U.S. Merchandise Trade
(Millions of dollars)

Line				Not seasonally adjusted								Seasonally adjusted							
		1960	1970	1960				1970				1960*				1970			
				I	II	III	IV	I	II	III	IV*	I	II	III	IV	I*	II*	III*	IV*
EXPORTS																			
1	Merchandise exports, Census basis, including reexports and military grant shipments	36,009	43,228	7,128	10,332	9,449	10,668	10,341	11,354	10,272	11,257	7,705	9,916	10,072	10,190	10,475	10,385	10,348	10,519
2	Excluding military grant shipments	37,832	42,882	7,589	10,151	8,267	10,138	10,885	11,221	10,100	11,085	7,616	9,768	9,889	9,829	10,328	10,590	10,345	10,739
3	Additions, "regular", to Census exports	388	357	89	83	90	90	82	91	90	84	105	77	91	98	86	84	83	83
3a	Private gift parcel remittances	71	70	12	17	14	20	10	10	18	30	12	17	10	28	18	16	18	28
3b	Exports of the Virgin Islands	30	17	6	4	6	9	2	4	0	5	6	4	0	0	2	4	6	5
3c	Gold exports, nonmonetary	3	(*)	1	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	(*)	(*)	(*)	(*)	(*)	(*)
3d	Inland freight valuation adjustment	357	200	80	87	82	88	84	71	83	57	60	61	63	67	69	64	67	68
3e	Other "regular" additions	19	-2	10	-0	7	-7	11	.....	1	-14	18	-0	7	-7	11	.....	2	-14
4	Deductions, "regular", from Census exports	1,203	1,030	202	377	329	338	204	280	220	320	202	377	329	338	204	280	220	320
4a	DOD military export sales	1,172	1,002	204	378	318	330	107	270	213	313	204	370	318	330	107	270	213	313
4b	Other "regular" deductions	31	28	8	7	8	8	7	7	7	7	8	7	8	8	7	7	7	7
5	Special and miscellaneous adjustments (net)	-24	52	18	15	-50	2	46	0	.....	.....	27	25	-40	12	20	-12	-18	-18
5a	Of which: quarterly allocation of annual seasonal adjustment discrepancy	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12	10	10	11	-10	-18	-18	-18
6	Equals: Merchandise exports, adjusted to balance of payments basis (table 1, line 3)	36,473	42,841	7,438	9,872	8,265	10,138	10,129	11,012	10,028	10,860	7,465	9,490	9,680	9,690	10,323	10,586	10,708	10,503
IMPORTS																			
7	Merchandise imports, Census basis (general imports)	38,043	38,263	7,409	9,781	9,191	9,842	9,453	10,071	9,879	10,540	7,655	9,571	9,316	9,453	9,719	9,867	10,029	10,333
8	Additions, "regular", to Census imports	392	401	107	111	89	94	107	101	83	110	107	111	80	94	107	101	83	110
8a	Imports of the Virgin Islands	188	238	87	48	29	33	60	63	43	67	87	40	20	33	60	63	43	63
8b	Gold imports, nonmonetary	210	153	48	40	49	50	30	38	37	44	45	40	40	50	30	36	37	44
8c	Other "regular" additions	8	10	2	2	2	2	3	2	3	3	2	2	2	2	2	2	3	3
9	Deductions, "regular", from Census imports	586	540	151	153	114	107	134	148	108	160	148	148	139	144	132	143	120	135
9a	DOD military import purchases	237	180	71	44	47	55	47	49	43	60	71	64	47	55	47	49	43	50
9b	Automotive valuation adjustment	390	396	79	80	67	111	80	98	64	98	77	84	87	78	84	83	85	84
9c	Other "regular" deductions	3	6	1	(*)	1	1	1	1	1	2	1	(*)	1	1	1	1	1	3
10	Special and miscellaneous adjustments (net)	-14	32	-32	.....	12	5	32	.....	.....	.....	-25	8	23	13	30	4	4	4
10a	Of which: quarterly allocation of annual seasonal adjustment discrepancy	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7	8	8	8	8	4	4	4
11	Equals: Merchandise imports, adjusted to balance of payments basis (table 1, line 15)	35,835	38,300	7,330	9,729	9,169	9,894	9,489	10,024	9,884	10,520	7,488	9,662	9,281	9,404	9,729	9,829	10,029	10,311
12	Balance on merchandise trade, Census basis, excluding military grant shipments (line 2 less line 7)	1,339	2,089	377	64	576	742	1,150	271	636	636	-40	174	574	569	649	930	816	425
13	Balance on merchandise trade, adjusted to balance of payments basis (line 6 less line 11)	538	2,185	185	102	-294	504	671	1,088	166	340	-143	-72	327	488	623	757	713	182
TRADE BY END-USE																			
14	Merchandise exports, Census basis, including military grant shipments (line 1)	36,009	43,228	7,128	10,332	9,449	10,668	10,341	11,354	10,272	11,257	7,705	9,916	10,072	10,190	10,475	10,385	10,348	10,519
14a	Agricultural products	8,084	7,364	1,047	1,718	1,428	1,913	1,831	1,737	1,670	2,287	986	1,736	1,842	1,677	1,706	1,738	1,662	1,940
14b	Nonagricultural products	32,022	35,864	6,079	8,614	8,021	8,755	8,510	9,617	8,602	8,980	6,719	8,211	8,230	8,513	8,762	8,777	8,702	8,579
14c	Excluding military grant shipments	37,832	42,882	7,589	10,151	8,267	10,138	10,885	11,221	10,100	11,085	7,616	9,768	9,889	9,829	10,328	10,590	10,345	10,739
15	Food, feeds, and beverages	4,888	6,826	760	1,299	1,114	1,506	1,308	1,386	1,484	1,748	774	1,340	1,298	1,322	1,327	1,418	1,543	1,820
16	Grains and preparations	2,610	3,958	377	741	693	730	699	663	701	824	260	776	693	660	670	730	774	867
17	Seoisons	832	1,216	134	104	118	303	202	313	235	400	142	303	191	253	270	301	304	272
18	Other foods, feeds, and beverages	1,340	1,652	268	363	263	366	350	370	407	514	272	300	342	373	378	386	405	300
19	Industrial supplies and materials	11,784	13,787	2,122	3,263	3,100	3,281	3,325	3,434	3,416	3,429	2,184	3,147	3,157	3,232	3,481	3,619	3,378	3,431
20	Fuels and lubricants	1,132	1,406	213	312	285	313	307	403	318	484	245	300	278	308	346	392	304	454
21	Paper and paper base stocks	1,008	1,137	100	347	287	236	254	206	290	207	170	243	230	282	263	284	300	290
22	Textile supplies and materials	1,029	1,051	189	310	228	232	291	228	108	274	139	360	236	234	280	277	328	278
23	Raw cotton, including lint	285	378	39	180	71	65	116	111	47	104	34	122	85	61	67	109	67	118
24	Tobacco, unmanufactured	540	489	89	142	124	214	84	107	107	100	73	163	133	147	128	121	108	130
25	Chemicals, excluding medicinals	2,742	3,080	626	777	734	770	779	816	708	727	337	748	729	721	803	701	738	736
26	Other nonmetals (hides, tallow, minerals, wood, rubber, ores, etc.)	2,388	2,028	400	646	611	640	644	672	624	687	483	627	643	633	640	630	639	675
27	Steelmaking materials	371	547	42	86	130	104	100	166	166	129	64	86	110	112	120	161	132	134
28	Iron and steel products	1,127	1,389	186	275	293	374	376	418	327	374	188	265	310	380	370	405	348	261
29	Other metals, primary and advanced, including advanced steel	1,031	1,572	300	460	420	442	509	471	462	448	265	410	460	408	468	440	473	471
30	Capital goods, except automotive	12,347	14,380	2,801	3,263	3,091	3,220	3,645	3,706	3,397	3,688	2,741	3,072	3,263	3,300	3,440	3,583	3,679	3,683
31	Machinery, except consumer-type	9,082	11,604	2,111	2,709	2,601	2,736	2,974	2,897	2,601	2,122	2,543	2,681	2,698	2,760	2,703	3,047	2,968	2,968
32	Medical and electronic, and parts and attachments	1,846	2,078	401	497	474	485	622	552	493	530	405	483	508	484	510	612	620	532
33	Nonferrous metals, and parts and attachments	8,136	10,480	1,710	2,212	2,037	2,170	2,228	2,422	2,363	2,471	1,717	2,080	2,173	2,175	2,240	2,281	2,518	2,487
34	Construction machinery and nonfarm tractors and parts	1,860	1,008	221	409	434	460	465	503	443	491	331	447	440	462	462	478	509	468
35	Textile and other specialized industry machinery and parts	708	631	102	214	169	219	210	239	223	218	173	204	211	212	222	223	247	240
36	Other industrial machinery and parts, n.e.c.	3,476	3,898	729	981	876	900	921	1,000	943	1,007	745	818	827	910	882	932	1,027	1,015
37	Agricultural machinery and farm tractors and parts	417	300	69	123	104	101	102	104	83	81	80	112	113	106	113	70	98	94
38	Business and office machines, computers, etc., and parts	1,226	1,703	205	287	306	300	378	410	421	485	287	380	341	344	308	417	404	400
39	Scientific, professional, and service industry equipment	641	637	128	147	131	138	162	166	161	169	134	136	141	141	151	152	173	164
40	Civilian aircraft, engines, parts	2,235	2,681	643	618	466	588	748	782	510	621	580	500	581	687	680	758	698	640
41	Civilian aircraft, complete—all types	1,268	1,429	461	276	214	322	470	496	231	323	371	298	285	344	300	483	285	347
42	Other transportation equipment	121	141	27	36	26	34	27	39	20	46	30	29	31	33	20	32	38	44

Table 4.—U.S. Merchandise Trade—Continued
(Millions of dollars)

Line		1969	1970	Net seasonally adjusted								Seasonally adjusted							
				1969				1970				1969				1970			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
43	Automotive vehicles, parts, and engines.....	2,887	3,652	922	1,085	844	1,065	1,068	1,101	814	828	834	871	1,021	984	920	1,008	901	786
44	To Canada.....	2,785	3,474	877	1,038	808	1,047	1,050	1,083	808	822	834	868	1,018	981	913	1,000	882	473
45	To all other areas.....	1,102	1,178	245	322	260	260	260	260	260	260	260	260	260	260	260	260	260	260
46	Passenger cars, new and used.....	1,823	2,353	595	643	527	639	606	650	497	532	582	606	601	581	611	585	575	490
47	Trucks, buses, and special vehicles.....	634	600	111	150	127	133	143	145	135	131	133	141	138	137	143	135	151	126
	Parts, bodies, and accessories, including engines and parts, n.e.c.....	2,234	2,253	835	843	827	839	806	850	497	532	582	606	601	581	611	585	575	490
48	Consumer goods (nonfood), except automotive.....	2,596	2,742	663	711	663	688	670	730	686	657	667	678	684	685	680	670	688	784
49	Consumer durables, manufactured.....	1,618	1,607	220	254	203	231	243	254	235	213	222	230	238	245	247	241	252	290
50	Consumer nondurables, manufactured.....	1,481	1,415	308	357	373	373	397	429	409	404	313	323	374	390	406	407	463	402
51	Unmanufactured consumer goods (game, livestock, precious and nonprecious).....	127	123	35	30	27	34	34	32	20	32	32	32	32	35	28	31	34	33
52	Special category (military-type goods).....	1,644	1,272	337	458	467	535	286	383	280	430	387	468	497	355	289	363	288	430
53	Exports, n.e.c., and reexports.....	1,637	1,408	312	248	250	288	230	284	384	397	318	323	362	362	345	368	400	285
54	Domestic (low-value, miscellaneous).....	643	600	111	150	127	133	143	145	135	131	133	141	138	137	143	135	151	126
55	Foreign (reexports).....	644	630	117	141	135	147	134	164	163	173	123	131	158	160	130	153	157	174
56	Merchandise imports, Census basis (line 7).....	36,843	32,963	7,498	8,781	8,191	8,563	9,464	10,471	9,578	10,048	7,858	8,581	8,316	8,451	8,718	8,863	10,029	10,340
57	Food, feeds, and beverages.....	5,228	6,155	204	1,433	1,327	1,435	1,472	1,466	1,494	1,628	1,054	1,431	1,320	1,418	1,542	1,503	1,400	1,540
58	Coffee, cocoa, and sugar.....	1,700	2,088	288	477	428	512	463	584	585	643	304	478	403	467	577	543	519	469
59	Green coffee.....	894	1,100	134	243	208	288	292	367	278	283	154	252	208	279	259	220	275	274
60	Cane sugar.....	638	720	80	188	178	170	181	208	215	174	134	175	151	170	150	180	187	173
61	Other foods, feeds, and beverages.....	2,838	4,059	711	988	899	973	979	1,012	896	1,123	759	989	917	907	1,026	1,011	980	1,061
62	Industrial supplies and materials.....	15,160	15,117	3,033	3,016	3,403	3,598	3,640	3,790	3,798	3,988	3,980	3,810	3,928	3,937	3,691	3,622	3,773	3,906
63	Fuels and lubricants.....	2,777	3,063	700	664	674	738	818	710	708	802	643	683	704	743	773	741	741	802
64	Paper and paper base stocks.....	1,506	1,479	340	403	401	480	399	396	372	411	371	396	400	410	412	380	382	394
65	Materials associated with nondurable goods and farm output, n.e.c.....	2,658	2,698	626	798	649	825	767	736	672	712	580	766	722	686	688	720	721	760
66	Textile supplies and materials.....	1,242	1,209	249	339	263	261	314	300	286	304	237	337	308	281	287	280	291	324
67	Tobacco, unmanufactured.....	117	111	28	54	18	12	48	80	16	16	15	32	30	21	25	28	40	29
68	Chemicals, excluding medicinals.....	708	636	146	208	178	179	210	227	195	205	144	193	186	100	904	212	204	216
69	Other (fides, copra, materials for making plastics, drugs, dyes).....	891	720	108	195	189	179	174	169	176	101	168	168	168	178	182	171	166	190
70	Building materials, except metals.....	1,167	1,008	282	300	200	241	222	261	280	254	308	340	281	252	240	245	254	264
71	Materials associated with durable goods output, n.e.c.....	5,943	6,503	1,108	1,657	1,679	1,608	1,438	1,467	1,733	1,788	1,308	1,608	1,581	1,640	1,583	1,578	1,475	1,730
72	Steelmaking materials.....	649	734	161	181	100	113	118	184	239	198	127	151	167	187	187	172	198	170
73	Iron and steel products.....	1,014	2,193	278	604	644	487	410	423	678	684	328	578	406	481	483	408	531	671
74	Other metals, primary and advanced, including advanced alloys.....	2,366	2,447	520	651	584	568	643	684	643	660	627	618	608	618	633	645	607	676
75	Nonmetals (gums, oils, resins, minerals, rubber, fides, etc.).....	1,090	1,080	216	270	264	270	267	266	346	262	216	267	267	271	257	261	240	283
76	Capital goods, except automotive.....	3,228	3,782	646	809	820	831	823	870	928	1,008	688	872	844	847	816	949	843	878
77	Machinery, except consumer-type.....	3,040	3,491	612	867	784	785	861	927	928	1,004	611	820	796	806	873	807	808	928
78	Electrical and electronic, and parts and attachments.....	817	1,017	170	218	265	213	228	258	280	308	175	210	208	212	223	258	264	287
79	Non-electrical, and pertaining attachments.....	2,223	2,474	476	690	675	673	644	671	628	685	433	610	600	635	641	639	537	688
80	Construction, textile and other specialized industry machinery and nonfarm tractors and parts.....	808	846	59	148	133	127	128	144	147	137	68	148	130	137	124	144	144	143
81	Other industrial machinery and parts, n.e.c.....	828	978	162	224	224	202	226	230	228	284	166	230	222	206	242	231	227	240
82	Agricultural machinery and farm tractors and parts.....	347	389	77	114	74	82	100	101	77	74	73	96	86	86	84	89	89	89
83	Business and office machines, computers, etc., and parts.....	330	471	63	88	80	90	107	126	110	128	64	83	87	90	108	119	118	127
84	Scientific, professional and service-industry equipment and parts; and miscellaneous transportation equipment.....	212	230	41	55	57	59	58	61	61	60	43	55	55	56	58	61	56	60
85	Civilian aircraft, engines, parts.....	177	191	40	43	43	40	42	62	43	54	43	43	46	43	43	48	48	60
86	Civilian aircraft, complete all types.....	110	48	29	24	20	28	16	16	9	9	20	24	26	25	10	15	9	9
87	Automotive vehicles, parts, and engines.....	6,341	6,525	1,146	1,443	1,174	1,580	1,490	1,514	1,268	1,432	1,104	1,382	1,445	1,449	1,300	1,506	1,555	1,605
88	From Canada.....	3,488	3,484	808	884	711	1,008	886	1,031	715	882	787	814	937	882	878	988	949	833
89	From Canada, transactions value.....	3,148	3,230	730	708	645	862	700	823	651	884	710	730	840	806	792	945	857	760
90	From all other areas.....	1,853	2,371	345	558	453	476	554	483	546	550	217	568	518	496	523	557	618	672
91	Passenger cars, new and used.....	3,269	2,730	668	680	730	662	658	1,000	729	990	801	867	920	912	888	957	938	928
92	Trucks, buses, and special vehicles.....	716	730	183	158	160	215	160	107	177	223	136	169	187	201	168	170	200	181
	Parts, bodies, and accessories, including engines and parts, n.e.c.....	1,254	1,490	204	315	284	361	333	381	355	428	287	386	379	335	369	411	390	
93	Consumer goods (nonfood), except automotive.....	6,014	7,051	2,267	1,704	1,874	1,772	1,567	2,309	2,094	2,007	1,412	1,748	1,709	1,730	1,820	1,860	1,887	1,662
94	Consumer durables, manufactured.....	3,238	4,060	648	807	808	872	870	1,004	1,004	1,112	727	921	919	938	954	1,085	1,023	1,047
95	Consumer nondurables, manufactured.....	2,480	2,667	476	645	737	621	647	708	823	763	623	680	641	680	767	718	746	753
96	Unmanufactured consumer goods (game, nursery stock).....	681	426	144	163	141	143	189	126	126	149	159	154	142	142	138	127	128	133
97	Imports, n.e.c. (low value, goods returned, military aircraft, Government purchased uranium, movies, exhibits).....	1,471	1,306	319	376	388	390	308	343	378	379	347	370	370	379	342	334	371	348

* Revised. * Preliminary.

1. Mainly includes net additions or liquidations of U.S.-owned grains into or out of storage in Canada; and exports of electrical energy.

2. Reflects exports of military equipment under Department of Defense (DOD) sales contracts with foreign governments to the extent such exports are identifiable from Census export documents; these exports are contained in table 1, line 4 (Transfers under military sales contracts).

3. Mainly represents exports of exposed motion picture film for rental rather than sale and exports to Panama Canal Zone.

4. Reflects irregular and occasional special adjustments: valuation adjustments for goods considered to be underpriced or overpriced in Census data; timing adjustments for goods

recorded in Census data in one period but found to have been shipped in another, and coverage adjustments for special situations in which shipments were omitted from Census data.

5. To correct total exports (and total imports) for discrepancy between seasonally adjusted sum of four quarters and recorded, unadjusted annual figures.

6. Mainly imports of electrical energy.

7. Consists mainly of foreign charges for repair of U.S. vessels abroad, which are included in table 1, 2, and 8, line 17 (Transportation); imports from Panama Canal Zone; and imports of domestically owned grains returned from storage in Canada.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 5.—Major U.S. Government Transactions

(Millions of dollars)

Line		1960	1970*	1969				1970			
				I	II	III	IV	I	II	III	IV
A. 1	U.S. Government grants (excluding military) and immediate increasing Government assets, total (table 1, lines 20, 42, and 43, with sign retained).....	5,432	4,364	1,136	1,554	1,089	1,184	1,390	1,372	1,045	1,233
1a	Seasonally adjusted.....			1,118	1,519	1,216	1,183	1,378	1,327	1,122	1,243
	By category.....										
2	Grants, net.....	1,644	1,447	374	540	328	373	444	412	302	400
3	Credits repayable in foreign currencies.....	432	300	206	52	30	45	113	84	20	34
4	Other foreign currency assets (excluding administrative cash holdings), net.....	-130	-23	-234	100	1	4	-42	40	-21	(*)
	Receipts from—.....										
5	Sales of agricultural commodities.....	233	289	20	180	59	58	101	85	39	63
6	Interest.....	240	190	82	81	49	45	45	34	47	50
7	Repayments of principal.....	142	162	32	37	20	37	45	48	33	36
8	Reversions grants.....	2	1	1	(*)	1	(*)	(*)	(*)	(*)	(*)
9	Other sources.....	8	10	8	1	2	2	3	1	2	4
	Less disbursements for—.....										
10	Grants in the recipient's currency.....	140	180	36	38	40	35	40	31	47	53
11	Credits in the recipient's currency.....	313	140	264	32	13	13	15	23	14	18
12	Other grants and credits.....	12	8	1	2	1	7	(*)	1	4	7
13	Other U.S. Government expenditures.....	234	342	88	90	92	86	88	80	68	81
14	Capital subscriptions to international and regional organizations, excluding IMF.....	184	234	22	58	50	57	68	60	48	60
15	Credits repayable in U.S. dollars.....	2,881	2,385	670	880	612	694	696	837	573	680
16	Other assets (including changes in administrative cash holdings), net.....	30	112	3	-11	58	-20	24	-10	03	36
	By program.....										
17	Under farm product disposal programs.....	1,158	1,123	300	510	182	264	322	342	308	250
18	Under Foreign Assistance Acts and related programs.....	2,128	2,024	408	640	485	518	512	533	600	451
19	Under Export-Import Bank Act.....	1,248	1,506	337	343	272	284	385	330	178	278
20	Capital subscriptions to international and regional organizations, excluding IMF.....	184	234	22	58	50	57	68	60	48	60
21	Other assistance programs.....	327	336	63	58	52	58	65	102	78	90
22	Other foreign currency assets acquired (lines A.6, A.7, and A.9).....	334	342	88	90	92	86	88	80	68	81
23	Less foreign currencies used by U.S. Government other than for grants or credits (line A.10).....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
24	Advances under Exchange Stabilization Fund agreements, net.....	25	116	1	-10	54	-21	20	-13	82	42
25	Other (including changes in administrative cash holdings), net.....										
	By disposition.....										
26	Estimated transactions involving no direct dollar outflow from the United States.....	4,268	4,267	964	1,445	804	1,130	1,304	918	1,027	
27	Expenditures on U.S. merchandise.....	2,067	2,076	635	1,073	637	732	822	543	615	730
28	Expenditures on U.S. services.....	791	844	280	242	151	158	328	228	188	191
29	Military sales contracts financed by U.S. Government credits (line B.4).....	828	341	167	162	106	104	70	101	129	62
30	U.S. Government credits to repay prior U.S. Government credits.....	144	174	32	38	37	38	36	43	34	35
31	U.S. Government credits to repay prior U.S. private credits.....	88	234	11	27	31	10	45	81	42	57
32	Increases in claims on U.S. Government associated with Government grants and transactions increasing Government assets (including changes in retained accounts) (line B.7).....	-16	-30	-4	-7	-8	(*)	-9	-17	-3	(*)
33	Less foreign currencies used by U.S. Government other than for grants or credits (line A.10).....	334	342	88	90	92	86	88	80	68	81
34	Estimated dollar payments to foreign countries and international and regional organizations through U.S. Government grants and transactions increasing Government assets.....	734	687	171	200	194	180	170	168	150	101
B. 1	U.S. Government liabilities associated with specific transactions (table 1, line 57); net increase (+).....	135	-625	-79	44	-64	219	-44	-311	-45	-225
1a	Seasonally adjusted.....			-79	105	-115	228	-54	-300	-59	-222
2	Associated with military sales contracts.....	154	-583	-84	16	-38	243	-18	-312	-30	-224
2a	Seasonally adjusted.....			-84	24	-91	229	-30	-254	-50	-214
3	U.S. Government receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds.....	1,440	582	256	322	288	593	205	213	177	247
4	Plus military sales contracts financed by U.S. Government credits (line A.29).....	528	381	157	162	105	104	70	101	129	62
5	Less U.S. Government receipts from principal repayments.....	306	327	68	37	35	116	38	138	32	110
6	Less transfers of goods and services (including transfers financed by credits) (table 1, line 4).....	1,515	1,470	300	381	405	328	254	488	303	434
7	Associated with U.S. Government grants and transactions increasing Government assets (line A.32).....	-15	-30	-4	-7	-8	(*)	-9	-17	-3	(*)
7a	Seasonally adjusted.....			-4	-7	-8	(*)	-9	-17	-3	(*)
8	Non-interest-bearing securities issued to IDA.....										
9	Non-interest-bearing securities issued to IDB.....										
10	Non-interest-bearing securities issued to U.N. for special programs.....										
11	Foreign funds retained in U.S. Government accounts for purchases in the United States.....	-10	-31	-4	-7	-8	(*)	-9	-17	-3	(*)
12	Other.....	(*)	1	(*)	(*)	(*)	(*)	(*)	(*)	1	(*)
13	Associated with other specific transactions.....	-2	-12	-3	35	-82	-24	-17	10	-12	-1
13a	Seasonally adjusted.....			-3	35	-82	-24	-17	10	-12	-1
14	Purchases of Columbia River downstream power rights.....	-30	-30								
15	U.S. Government nonmilitary sales and miscellaneous operations.....	32	-10	1	35	-19	0	-15	-14	-10	20
16	Nonmarketable U.S. Government obligations to be liquidated against U.S. claims.....	-4	28	-2		-2		-2	32	-2	
C. 1	Foreign holdings of nonmarketable medium-term U.S. Government securities and U.S. Government long-term obligations, payable before maturity only under special conditions, net associated with specific transactions (table 1, line 58); net increase (+).....	-41	723	95	-171	-116	100	-242	300	75	30
2	Export-Import Bank Portfolio Certificates of Participation.....	-71	(*)	-10	-46	-14	(*)	(*)	(*)	(*)	(*)
3	German Government 10-year loan to U.S. Government.....	38	75								
4	U.S. Treasury securities not included elsewhere.....	-46	645	105	-128	-100	75	-242	300	(*)	00

* Revised. * Preliminary. * Less than \$500,000 (±).

1. The identification of transactions involving direct dollar outflow from the United States is made in reports by the operating agency. Such data for 1st and 2d quarters 1969 and for 3d and 4th quarters 1970, however, are simple extrapolations by ODE, because of incomplete reports from one operating agency.

2. Line A.28 includes foreign currency collected as interest and line A.30 includes foreign currency collected as principal, as recorded in lines A.6 and A.7.

3. Includes some short-term U.S. Government claims, net of collections.

4. Consists of transfers of military goods and services financed by U.S. Government credits and of advance payments to the Defense Department on military sales contracts financed by credits extended to foreigners by U.S. Government agencies. Also includes U.S. Government asset value of U.S. military aircraft and related equipment leased to foreign governments; these transactions are also recorded in lines A.10, A.25, B.4, and B.8.

5. Transactions under military sales contracts are those in which the Defense Department sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. The entries for the several categories of transactions related to military sales contracts in this and the other tables are partially restricted from incomplete data.

6. Consists of transfers of military goods and services financed by U.S. Government credits (included in line B.6) and of increases in Defense Department liabilities (on military sales contracts) which arise from advance payments to the Defense Department financed by credits to foreigners by U.S. Government agencies. Also includes lease transactions as explained in note 4; lines B.3 and B.5 include U.S. Government receipts of lessee's payments.

7. Includes securities payable in U.S. dollars and in convertible foreign currencies.

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 6.—Claims on Foreigners Reported by U.S. Banks and U.S. Private Residents Other Than Banks

(Millions of dollars)

Line		1969†	1970†	1969†				1970				Amounts outstanding Dec. 31, 1970	
				I	II	III	IV	I*	II*	III*	IV*		
A.	Claims reported by U.S. Banks:												
1	Long-term (table 1, line 27, with sign reversed).....	-390	-281	-135	-34	-111	-35	-24	-41	-23	-55	3,049	
2	Canada.....	-20	-96	-25	-2	5	8	-2	10	(*)	-104	312	
3	United Kingdom.....	-12	2	-1	-13	(*)	1	-1	-2	-2	5	80	
4	European Economic Community.....	-22	62	4	1	-18	-10	25	4	5	15	168	
5	Other Western Europe.....	-25	-61	-5	10	-45	5	-15	2	-33	-2	254	
6	Japan.....	-24	28	-5	-12	-5	-5	-1	5	15	5	315	
7	Other countries.....	-202	-134	-94	-14	-62	-32	-29	-30	-5	-19	2,154	
8	Short-term (table 1, line 28, with sign reversed).....	571	1,064	-77	538	-245	615	-253	554	-273	1,014	10,711	
9	U.S. dollar loans.....	117	-239	41	119	-223	159	12	26	-65	-191	3,040	
10	Canada.....	63	63	3	35	-29	40	-4	28	-25	62	271	
11	United Kingdom.....	31	-90	-7	-2	5	35	49	-9	-9	-96	92	
12	European Economic Community.....	74	-55	11	34	14	14	-5	-39	20	-89	161	
13	Other Western Europe.....	29	-5	25	5	-11	7	35	58	-55	-15	154	
14	Japan.....	75	-141	55	-47	-1	55	-82	-10	-22	-47	428	
15	Other countries.....	-146	-21	-57	57	-211	25	-1	62	-14	-54	1,914	
16	U.S. dollar acceptance credits.....	315	794	-78	291	-94	198	-105	242	-281	910	3,980	
17	Canada.....	25	-1	4	10	3	0	-21	38	1	1	00	
18	United Kingdom.....	15	29	-2	4	4	4	-3	14	(*)	5	64	
19	European Economic Community.....	21	27	4	14	2	1	-1	15	15	72	72	
20	Other Western Europe.....	-10	42	-25	10	3	5	-10	(*)	19	20	107	
21	Japan.....	47	340	-104	212	-141	68	-211	125	-202	628	2,140	
22	Other countries.....	213	527	45	41	31	90	97	95	-91	198	1,472	
23	U.S. dollar collections outstanding.....	221	400	-50	117	109	94	142	197	37	84	2,410	
24	Canada.....	8	-1	6	-2	1	1	-1	1	-2	1	23	
25	United Kingdom.....	0	15	-3	4	4	4	-3	14	(*)	5	64	
26	European Economic Community.....	30	14	-5	27	-5	10	3	12	-8	7	148	
27	Other Western Europe.....	14	8	-0	5	3	11	-6	9	-1	6	90	
28	Japan.....	129	259	-20	7	59	44	131	105	45	-13	1,214	
29	Other countries.....	43	94	-31	75	20	15	18	45	3	28	360	
30	Other claims in U.S. dollars.....	148	23	55	-41	20	112	-148	57	-9	90	679	
31	Canada.....	101	12	04	-44	1	118	-80	85	-9	51	239	
32	United Kingdom.....	10	6	20	2	21	-27	-24	24	8	-2	163	
33	European Economic Community.....	-8	13	-17	1	-6	14	-9	(*)	-1	22	36	
34	Other Western Europe.....	4	3	2	3	-1	(*)	-3	-2	(*)	3	16	
35	Japan.....	-20	-7	-3	-9	(*)	-8	3	-5	-5	3	57	
36	Other countries.....	-4	-3	-38	8	6	23	-19	4	4	8	121	
37	Foreign currency deposits and other claims.....	69	124	1	102	-58	24	-101	53	13	171	531	
38	Canada.....	45	171	42	55	-23	25	-52	50	24	140	234	
39	United Kingdom.....	20	-21	2	9	-1	10	-6	(*)	-14	-1	41	
40	European Economic Community.....	5	-16	-37	23	26	-8	-34	-8	-4	30	163	
41	Other Western Europe.....	-8	5	-9	2	3	-10	2	1	10	-8	80	
42	Japan.....	5	-2	(*)	5	-0	3	-5	9	5	-11	41	
43	Other countries.....	3	(*)	-3	5	2	-2	-6	2	-5	12	181	
B.	Claims reported by U.S. private residents other than banks:												
1	Long-term (table 1, line 30, with sign reversed).....	424	589	63	50	13	249	351	13	131	143	1,178	
2	Canada.....	77	102	13	15	18	31	11	5	48	43	894	
3	United Kingdom.....	4	-7	28	-7	-2	-15	7	2	-4	-13	145	
4	European Economic Community.....	74	308	-13	16	6	95	283	16	10	-3	400	
5	Other Western Europe.....	53	-14	40	9	-4	-1	10	-29	3	13	238	
6	Japan.....	13	1	-3	17	1	-2	15	8	-23	-1	149	
7	Other countries.....	209	201	8	20	-8	171	54	15	100	20	1,230	
8	Short-term (table 1, line 30, with sign reversed).....	-295	34	115	15	-248	-151	55	55	-75	-25	4,425	
9	Reported by brokerage concerns.....	-239	2	-118	4	-100	-10	-55	-38	31	77	379	
10	Reported by others.....	-50	37	233	11	-145	-162	116	124	-95	-112	4,146	
11	Canada.....	-43	190	-17	-67	182	-152	48	11	81	778	778	
12	United Kingdom.....	-255	-350	57	-70	-25	-267	-209	-119	-60	-265	744	
13	European Economic Community.....	-25	-21	-64	00	-25	-46	-22	25	-25	3	620	
14	Other Western Europe.....	2	42	24	7	-17	-14	29	-3	5	21	320	
15	Japan.....	25	78	-7	11	9	13	41	13	3	20	353	
16	Other countries.....	31	210	-9	-16	7	48	58	150	-18	28	1,343	
17	Of which: Deposits and money market assets.....	-299	-329	227	-58	-194	-267	5	45	-71	-108	1,182	
18	U.S. dollar claims reported by major U.S. corporations.....	-239	-411	165	-155	-148	-151	51	-27	-124	-259	774	
19	Foreign currency claims.....	-54	35	68	50	-45	-136	-69	67	11	-11	458	
20	Canada.....	-40	183	-20	-60	-104	-210	61	69	50	580	580	
21	United Kingdom.....	-300	-308	55	-78	-53	-323	108	-114	-67	-305	274	
22	European Economic Community.....	-48	-12	-41	72	-32	-47	13	7	-3	18	77	
23	Other Western Europe.....	-11	5	7	-8	-8	-6	(*)	1	-2	-4	58	
24	Japan.....	-7	-6	-6	-1	1	-2	1	1	-2	-4	58	
25	Other countries.....	-35	32	-2	-30	-14	7	10	65	-33	-39	155	
Memorandum items:													
26	U.S. dollar deposits in Canadian banks: As reported by major U.S. corporations other than banks (included in line B, 18).....	135	-90	57	28	-44	305	-183	20	-31	65	371	
27	As reported in Canadian banking statistics.....	338	-84	120	34	7	137	-57	-28	55	-47	765	

† Revised. * Preliminary. * Less than \$500,000 (±).
† Data for 1969 correspond to those published in the September 1970 Survey of Current Business.

1. Lines B, 1-B, 25 are based on partial data.

Table 7.—U.S. Liquid Liabilities to Foreigners

(Millions of dollars)

Line		1969†	1970*	1969				1970				Amount out- standing Dec. 31, 1970
				I	II	III	IV	II *	I *	III *	IV *	
1	Liquid liabilities to all foreigners (table 1, lines 29 and 30; table 3, lines 10 through 14).....	8,199	1,371	1,316	4,116	3,555	-296	1,872	419	535	-345	42,371
2	To foreign official agencies.....	-617	7,513	-1,708	-639	2,235	-596	2,754	629	2,849	1,291	26,426
3	Central banks and governments.....	-606	8,966	-1,300	-530	2,244	-500	2,773	530	2,472	2,282	20,000
4	Demand deposits.....	-231	-262	-137	26	-44	-75	-471	-27	-52	269	1,627
5	Time deposits.....	1,852	-365	-23	111	120	832	481	63	-35	-584	2,634
6	Other private obligations, mainly money market paper ¹	812	-538	-177	-293	161	1,067	767	-401	-361	-233	1,002
7	U.S. Treasury obligations:											
8	Short-term securities.....	-1,803	9,456	-1,344	-308	1,020	-2,081	2,145	977	3,121	3,213	13,502
9	Payable in U.S. dollars.....	-1,648	9,510	-1,509	-398	1,070	-2,041	2,119	1,051	3,197	3,213	13,564
10	Payable in foreign currencies.....	-207	-54	-75	-10	-150	-30	-64	-64	-64	-64	148
11	Bonds and notes, marketable.....	-79	-39	-3	(*)	-9	-57	-2	17	20	-73	344
12	Bonds and notes, nonmarketable, convertible.....	-163	-120	-25	-10	84	-212	-126	(*)	(*)	(*)	429
13	Payable in U.S. dollars.....	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	429
14	Payable in foreign currencies.....	-138	-120	-25	-10	109	-212	-169	(*)	(*)	(*)	429
15	International Monetary Fund ²	-11	-452	1	-3	-9	-	-9	-	-452	-21	590
16	To foreign commercial banks.....	9,217	-6,511	3,154	4,796	1,554	-167	-1,682	-186	-1,148	-4,487	17,422
16a	Seasonally adjusted.....			3,658	4,806	1,311	149	-1,689	-111	-1,590	-4,146	
16b	To foreign branches of U.S. banks ³	6,268	-8,343	3,163	4,687	1,118	1,689	-1,291	-187	-1,663	-3,372	6,518
17	Demand deposits.....	6,422	-4,370	2,020	3,837	602	-127	-2,041	114	-876	-1,774	12,385
18	Time deposits.....	716	-668	195	183	420	-89	-42	-90	42	-202	1,331
19	Other private obligations, mainly money market paper ¹	2,080	-1,468	967	708	445	34	496	-210	-507	-1,148	3,412
20	U.S. Treasury short-term securities.....	-19	-6	12	-7	-10	-5	1	5	-3	-9	14
21	To other foreign residents and unallocated.....	-441	92	-22	-146	-143	-131	-252	182	-148	290	4,663
22	Demand deposits.....	-68	27	-40	25	-13	-08	57	2	-110	64	1,737
23	Time deposits.....	-262	-93	-37	-170	-188	7	-186	75	-64	00	1,830
24	Other private obligations, mainly money market paper ¹	-50	26	13	25	-21	-57	49	22	-3	-42	338
25	U.S. Treasury obligations:											
26	Short-term securities.....	21	24	18	1	3	(*)	-19	32	-6	17	130
27	Bonds and notes.....	54	110	30	-80	76	-3	-53	50	31	72	635
28	To international and regional organizations not included above.....	-40	177	-98	52	12	-66	143	-125	53	17	849
29	Demand deposits.....	-10	7	1	7	-14	-4	24	-3	-10	-4	69
30	Time deposits.....	-30	72	-21	-17	11	-3	48	-12	18	29	134
31	Other private obligations, mainly money market paper ¹	119	180	116	70	4	-80	-16	25	98	45	379
32	U.S. Treasury obligations:											
33	Short-term securities.....	-160	-33	-183	3	10	20	85	-137	-15	33	212
34	Bonds and notes.....	11	-25	-1	10	1	1	(*)	2	-6	-21	25

† Data revised to those published in the September 1970 Survey of Current Business.
 * Revised. * Preliminary. * Less than \$50,000 (±).
 1. With maturity of 1 year or less; negotiable certificates of deposit with a maturity of 1 year
 or less are included with money market paper.
 2. Includes liabilities of U.S. monetary authorities for gold deposited by and held for IMF.
 3. Excludes dollar holdings of IMF except holdings acquired through gold sales to the United
 States with the option to reverse the transactions.

Excludes dollar holdings of IMF except holdings acquired through gold sales to the United
 States with the option to reverse the transactions.
 3. Through April 1970 these data are estimates of liabilities of U.S. banks to their foreign
 branches, which were derived from weekly and daily figures compiled by the Federal Reserve
 System. Beginning in May these data are reported monthly by U.S. banks.

Table B.—U.S. International

Millions

Line	(Credits +; debits -)	United Kingdom						European Economic Community					
		1969	1970*	1970				1969	1970*	1970			
				I†	II†	III†	IV†			I†	II†	III†	IV†
1	Exports of goods and services.....	3,531	4,210	965	1,009	975	1,235	9,153	11,174	2,653	2,919	2,748	2,847
2	Excluding transfers under military grants.....	3,532	4,210	966	1,009	975	1,235	9,153	11,177	2,653	2,919	2,748	2,847
3	Merchandise, adjusted, excluding military.....	2,928	2,524	685	692	568	671	6,861	8,392	1,080	2,248	1,091	2,154
4	Transfers under military sales contracts.....	290	177	31	40	16	81	395	279	41	118	43	05
5	Transfers under military grants, net.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
6	Transportation.....	325	270	79	100	109	83	518	534	121	157	182	145
7	Travel.....	43	54	9	18	29	12	139	167	28	47	30	42
8	Fees and royalties from direct investments.....	185	211	45	59	65	85	299	334	74	82	80	92
9	Other private services.....	172	196	48	49	47	63	270	314	78	81	78	78
10	Other U.S. Government services.....	14	18	5	4	5	4	23	26	8	6	8	5
11	Income on U.S. investments abroad:												
12	Direct investments ¹	227	265	87	68	89	130	453	799	241	102	248	207
13	Other private assets.....	194	209	54	57	60	48	130	176	42	45	44	45
14	U.S. Government assets.....	258	187	30	28	9	180	67	90	21	33	24	12
15	Imports of goods and services.....	-4,545	-4,715	-1,154	-1,238	-1,085	-1,138	-9,225	-10,646	-2,351	-2,685	-2,332	-2,178
16	Merchandise, adjusted, excluding military.....	-2,112	-2,217	-541	-653	-516	-607	-6,380	-6,685	-1,445	-1,683	-1,041	-1,508
17	Military expenditures.....	-208	-228	-40	-53	-57	-87	-1,172	-1,287	-328	-328	-230	-330
18	Transportation.....	-517	-572	-110	-184	-165	-127	-762	-849	-180	-233	-261	-174
19	Travel.....	-220	-285	-23	-40	-123	-44	-464	-551	-48	-156	-257	-83
20	Private payments for other services.....	-234	-205	-50	-68	-56	-65	-95	-106	-28	-38	-26	-28
21	U.S. Government payments for other services.....	-14	-14	-2	-4	-4	-3	-71	-71	-10	-20	-15	-15
22	Income on foreign investments in the United States:												
23	Private payments ²	-1,189	-1,100	-331	-290	-269	-219	-583	-710	-188	-171	-177	-174
24	U.S. Government payments.....	-34	-38	-9	-9	-10	-11	-202	-421	-57	-57	-112	-105
25	Balance on goods and services (lines 1 and 14).....	-712	-428	-184	-238	-217	97	-73	529	312	334	-64	69
26	Excluding transfers under military grants (lines 2 and 14).....	-712	-428	-184	-238	-217	97	-73	531	312	334	-64	69
27	Unilateral transfers, net; transfers to foreigners (-).....	-44	-43	-5	-17	-13	-12	3	-14	7	-9	-5	-4
28	Excluding military grants.....	-44	-43	-5	-17	-13	-12	3	-14	7	-9	-5	-4
29	Private remittances.....	-27	-20	-4	-11	-7	-6	102	93	26	19	21	33
30	Military grants on goods and services.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
31	Other U.S. Government grants.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
32	U.S. Government pensions and other transfers.....	-18	-21	-4	-5	-5	-6	-68	-107	-23	-27	-30	-28
33	Balance on goods, services, and unilateral transfers (lines 22 and 26, or 24 and 26).....	-756	-478	-194	-255	-224	85	-65	616	315	225	-92	65
34	Transactions in U.S. private assets, net; increase in assets (-).....	-359	-435	-645	-12	-143	214	-180	-1,123	-435	-352	-314	190
35	Direct investments ¹	-254	-587	-329	-147	-160	-11	-645	-857	-494	-204	-225	255
36	Foreign securities newly issued in the United States.....	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130
37	Redemptions.....	18	10	4	2	4	4	45	20	7	6	5	5
38	Other transactions in foreign securities.....	-173	-55	-11	-5	-2	-33	222	34	44	32	-11	-31
39	Claims reported by U.S. banks:												
40	Long-term.....	13	-2	-1	2	3	-5	23	-82	-25	-4	-5	-15
41	Short-term.....	-180	20	-10	15	13	8	-120	29	49	38	-72	14
42	Claims reported by U.S. residents other than banks:												
43	Long-term.....	-4	7	-7	-2	4	12	-74	-200	-283	-18	-30	3
44	Short-term.....	280	248	-109	227	61	245	56	34	-26	34	-34	-33
45	Transactions in U.S. Government assets, excluding official reserve assets, net; increase in assets (-).....	13	130	-15	62	-11	94	-183	187	2	121	35	5
46	Loans and other long-term assets.....	-178	-52	-10	-17	-18	-7	-128	-67	-23	-14	-16	-18
47	Foreign currencies and other short-term assets.....	-20	-11	-5	19	7	-23	8	17	5	2	8	4
48	Repayments on credits:												
49	Scheduled.....	173	206		60		134	60	118	19	40	44	16
50	Nonscheduled (including sales of foreign obligations to foreigners).....	48						-131	00		08		
51	Transactions in U.S. official reserve assets, net; increase in assets (-).....	662	1,847	1,489	294	-377	468	-517	334	-633	476	453	158
52	Gold.....							-740	170			20	180
53	SDR.....												
54	Convertible currencies.....	662	1,847	1,489	294	-377	468	232	365	-632	476	412	-1
55	Gold tranche position in IMF.....												
56	Transactions in foreign assets in the United States, net; increase in foreign assets (U.S. liabilities) (+).....	5,471	-4,079	-971	-182	123	-3,038	1,626	5,420	333	1,611	2,978	2,996
57	Direct investments ¹	86	400	324	-24	104	30	343	05	-25	80	11	24
58	U.S. securities other than Treasury issues.....	82	230	129	-05	04	102	1,302	940	78	247	242	372
59	Long-term liabilities reported by U.S. banks.....	40	-0	1	1	1	-12	-1	120	14	60	2	64
60	Other liabilities reported by U.S. private residents other than banks:												
61	Long-term.....	112	528	30	134	108	167	481	70	51	136	-68	-51
62	Short-term.....	-40	545	150	118	10	252	161	50	-5	7	45	2
63	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions:												
64	Associated with specific transactions.....	-120	-112	-21	-47	18	-68	160	-129	-30	-128	-25	10
65	Other medium-term securities and long-term obligations.....	(*)	(*)	(*)	(*)	(*)	(*)	324	-467	-642	(*)	75	
66	U.S. Treasury marketable or convertible bonds and notes.....	66	92	-67	48	27	76	-315	-125	-128	1	(*)	-1
67	Deposits and money market paper held in the United States.....	5,209	-4,843	-1,642	-228	-308	-3,007	-236	7,570	1,406	1,201	2,655	2,587
68	Balance on transactions in U.S. and foreign liquid and nonliquid assets, including reserves (lines 32, 41, 45, and 51).....	5,856	-2,587	-72	163	-367	-2,253	497	7,059	-335	1,853	3,838	3,319
69	Allocations of special drawing rights (SDR).....												
70	Errors and omissions, and transfers of funds between foreign areas, net; receipts by foreign areas (-).....	-8,129	2,084	266	-85	637	2,176	-243	-8,634	17	-2,975	-3,040	-3,411

Transactions, by Area

of dollars

Other Western Europe						Eastern Europe						Canada						Line
1960	1970*	1970				1960	1970*	1970				1960	1970*	1970				
		I	II	III	IV			I	II	III	IV			I	II	III	IV	
4,425 4,339	5,199 4,976	1,295 1,257	1,345 1,266	1,175 1,141	1,378 1,338	294 286	406 406	191 191	99 99	96 96	181 181	12,145 12,145	12,453 12,453	3,048 3,048	3,364 3,364	3,822 3,822	3,017 3,017	
2,751 175 265 531	2,283 182 214 634	854 44 38 140	838 35 84 164	729 28 32 174	871 47 60 155	253 ----- ----- 7	368 ----- ----- 4	92 ----- ----- 1	88 ----- ----- 2	83 ----- ----- 1	102 ----- ----- 1	8,178 45 ----- -----	9,067 35 ----- -----	2,296 6 ----- -----	2,629 12 ----- -----	2,100 10 ----- -----	2,172 7 ----- -----	
80 143 178 69	119 106 180 70	21 24 38 17	27 38 35 16	30 27 28 25	22 28 26 11	----- ----- 18 2	----- ----- 19 2	----- ----- (*) (*)	----- ----- 6 1	----- ----- (*) (*)	----- ----- 5 1	815 288 177 6	885 284 192 7	100 74 43 1	238 73 49 1	316 70 61 2	141 79 48 2	
240 123 113	244 181 00	66 32 23	54 35 26	48 31 25	54 32 23	----- 4 12	----- 7 8	----- 2 1	----- 2 1	----- 2 5	----- 2 1	702 731 1	830 830 1	943 105 -----	108 216 -----	203 207 -----	264 219 1	
-4,337	-4,639	-1,094	-1,257	-1,339	-1,159	-234	-257	-85	-69	-85	-64	-12,047	-12,383	-3,618	-3,354	-3,591	-3,309	
-2,272	-2,407	-571	-604	-575	-587	-108	-218	-59	-42	-40	-68	-9,094	-10,702	-2,555	-2,802	-2,610	-2,829	
-247	-256	-68	-84	-66	-60	-1	-1	(*)	(*)	(*)	(*)	-255	-268	-60	-72	-63	-68	
-858	-742	-140	-213	-214	-180	-7	-6	(*)	(*)	(*)	(*)	-218	-234	-48	-58	-92	-68	
-292	-478	-54	-125	-232	-57	-10	-20	(*)	(*)	(*)	(*)	-900	-1,035	-87	-237	-580	-151	
-86	-68	-12	-19	-18	-20	(*)	-1	(*)	(*)	(*)	(*)	-134	-160	-36	-27	-38	-26	
-63	-56	-12	-14	-15	-15	-7	-8	(*)	(*)	(*)	(*)	-10	-10	-3	-3	-2	-2	
-564	-707	-191	-385	-171	-180	-1	(*)	(*)	(*)	(*)	(*)	-402	-432	-118	-103	-100	-112	
-97	-135	-41	-39	-80	-31	(*)	(*)	(*)	(*)	(*)	(*)	-98	-174	-30	-43	-60	-51	
285	350	249	88	-147	219	42	148	36	26	31	47	88	831	111	18	-269	-283	
-18	146	182	3	-172	169	82	140	36	35	31	47	56	531	111	30	-389	-293	
-553	-651	-10	-159	-97	-124	-21	-26	-6	-6	-8	-7	-20	-84	-14	-25	-33	-33	
-288	-247	-52	-66	-65	-64	-21	-26	-6	-6	-8	-7	-20	-84	-14	-25	-33	-33	
-143	-128	-25	-35	-34	-33	-11	-13	-4	-4	-3	-3	-29	-42	-5	-11	-20	-8	
-305	-214	-35	-64	-82	-66	-3	-7	-1	-1	-3	-2							
-35	-28	-7	-7	-7	-8	-3	-7	-1	-1	-3	-2							
-80	-91	-10	-24	-24	-24	-7	-8	-2	-2	-2	-2	-41	-53	-11	-14	-13	-15	
-276	-102	116	-53	-244	95	41	131	30	30	22	40	29	-825	97	-14	-402	-394	
-168	-247	-88	-16	-24	-128	-17	-8	-5	-1	-7	4	-2,192	-1,394	-24	-472	-232	-587	
-225	-200	-194	-15	-122	-49													
												-810	-757	-165	-270	-120	-174	
13	14	4										-1,370	-770	-329	-58	-241	-148	
41	58	32	12	11	3							230	248	70	88	55	65	
												-82	75	51	27	17	-18	
29	51	18	-2	33	2	6	1	-1	(*)	(*)	(*)	20	96	2	-10	(*)	164	
-29	-53	-15	-60	25	-30	-12	-3	-0	(*)	(*)	(*)	-280	-234	174	-103	(*)	-254	
-53	14	-10	20	-2	-18	(*)		5	-2	-0		-77	-102	-11	-8	-40	-43	
49	-40	-13	11	-7	-31	-11	-7					-108	65	205	-49	-12	-80	
-83	-92	-48	-35	13	-23	33	8	3	-8	10	-2	-4	-7	-4	1	-2	-2	
-232	-282	-39	-75	-40	-67	-10	-48	-10	-15	-13	-11	-5	-10	-8	-5	-1	(*)	
-0	-7	-5	-7	8	(*)	15	20	5	7	7	2	2	(*)	-3	6	-1	(*)	
150	173	37	44	58	44	26	34	8	3	10	7		(*)				(*)	
4	3		3										2	2				
-304	-24	-100	47	6	23							4	(*)	(*)	(*)	(*)	(*)	
-220	26	-4	1	7	21													
-84	-50	-90	30	-1	1							4	(*)	(*)	(*)	(*)	(*)	
2,097	-379	585	-328	-345	-403	6	10	-18	22	-10	20	1,293	1,432	-89	787	427	306	
100	54	24	10	7	12	(*)						243	245	152	70	20	-0	
597	308	10	110	178	90							197	129	-87	23	62	111	
-8	3	(*)	(*)	3	1		(*)	(*)	(*)	(*)	(*)	(*)	2	(*)	3	-2	1	
124	03	-0	67	30	5							-7	13	3	4	4	4	
-05	-11	-23	-8	10	3	-1	3		1	2		-30	-32	-31	-8	4	4	
-19	-19	-11	(*)	12	-19	(*)	(*)		(*)	(*)	(*)	-15	-41	-1	8	-14	-34	
-20	(*)		(*)									-175	1,109	200	880		98	
147	1	1	-1	-3	-4	(*)	(*)		(*)	(*)	(*)	-112	-80	-1	13	-1	-63	
1,633	-1,073	388	-522	-592	-407	0	7	-16	21	-18	20	1,194	-80	-284	207	304	229	
1,354	-924	349	-399	-353	-620	23	7	-18	26	-13	22	-899	39	-47	236	104	-263	
-1,278	1,024	-458	482	297	426	-44	-128	-11	-45	-10	-51	371	534	-56	-222	296	569	

Table 8.—U.S. International

(Millions)

Line	(Credits +; debits -)	Latin American Republics and other Western Hemisphere						Japan					
		1960	1970*	1970				1960	1970*	1970			
				I†	II†	III†	IV*			I†	II†	III†	IV*
1	Exports of goods and services.....	9,366	10,027	2,465	2,712	2,587	2,763	4,800	5,321	1,388	1,426	1,468	1,529
2	Excluding transfers under military grants.....	9,332	10,002	2,464	2,706	2,581	2,758	4,800	5,321	1,388	1,426	1,468	1,529
3	Merchandise, adjusted, excluding military.....	5,532	6,405	1,609	1,937	1,605	1,761	3,503	4,064	1,100	1,127	1,176	1,245
4	Transfers under military sales contracts.....	39	41	10	11	12	8	15	26	0	4	18	5
5	Transfers under military grants, net.....	37	25	6	6	8	7	(*)	(*)	(*)	0	0	0
6	Transportation.....	465	537	117	137	145	139	263	311	73	87	84	67
7	Travel.....	607	696	106	233	227	208	67	96	21	20	27	24
8	Fees and royalties from direct investments.....	239	261	60	60	66	68	46	53	13	17	15	19
9	Other private services.....	266	337	83	85	85	85	210	237	58	60	60	74
10	Other U.S. Government services.....	71	88	17	17	16	18	26	30	4	4	7	5
11	Income on U.S. investments abroad:												
12	Direct investments†.....	1,277	1,180	307	331	297	274	70	92	33	18	8	22
13	Other private assets.....	402	553	129	142	135	144	204	290	77	75	72	73
14	U.S. Government assets.....	153	184	35	45	32	51	22	29	7	8	7	7
15	Imports of goods and services.....	-7,886	-8,460	-2,213	-2,283	-2,848	-2,835	-6,227	-7,389	-1,497	-1,501	-2,015	-1,966
16	Merchandise, adjusted, excluding military.....	-5,217	-5,010	-1,630	-1,670	-1,400	-1,480	-4,803	-5,894	-1,238	-1,408	-1,030	-1,468
17	Military expenditures.....	-170	-160	-38	-46	-43	-42	-61	-60	-100	-170	-159	-174
18	Transportation.....	-313	-348	-88	-87	-90	-82	-200	-308	-66	-70	-69	-74
19	Travel.....	-1,145	-1,222	-348	-204	-319	-270	-70	-105	-14	-32	-35	-28
20	Private payments for other services.....	-143	-108	-29	-44	-44	-30	-23	-28	-7	-7	-7	-8
21	U.S. Government payments for other services.....	-180	-107	-40	-30	-44	-47	-19	-21	-5	-5	-5	-6
22	Income on foreign investments in the United States:												
23	Private payments†.....	-387	-455	-127	-124	-112	-91	-233	-275	-87	-68	-71	-60
24	U.S. Government payments.....	-15	-15	-3	-3	-4	-5	-78	-88	-25	-23	-10	-29
25	Balance on goods and services (lines 1 and 16).....	1,583	2,067	262	549	539	727	-1,727	-1,568	-209	-375	-547	-437
26	Excluding transfers under military grants (lines 2 and 14).....	1,756	2,442	248	543	533	720	-1,727	-1,568	-209	-375	-547	-437
27	Unilateral transfers, net: transfers to foreigners (-).....	-478	-805	-135	-132	-177	-125	-35	-41	-10	-11	-11	-10
28	Excluding military grants.....	-441	-698	-129	-128	-111	-116	-35	-41	-10	-11	-11	-10
29	Private remittances.....	-182	-105	-48	-52	-45	-38	-27	-29	-8	-8	-8	-8
30	Military grants of goods and services.....	-37	-25	-5	-4	-6	-7	(*)	(*)	(*)	(*)	(*)	(*)
31	Other U.S. Government grants.....	-221	-242	-70	-63	-55	-55	(*)	(*)	(*)	(*)	(*)	(*)
32	U.S. Government pensions and other transfers.....	-40	-43	-11	-11	-11	-11	-0	-10	-2	-2	-3	-2
33	Balance on goods, services, and unilateral transfers (lines 23 and 25, or 24 and 30).....	1,328	1,541	118	417	422	604	-1,763	-1,510	-219	-385	-558	-445
34	Transactions in U.S. private assets, net: increase in assets (-).....	-384	-1,282	-273	-296	-305	-397	-612	-622	78	-271	199	-637
35	Direct investments†.....	-344	-666	-131	-100	-143	-121	-63	-91	-22	-43	10	-38
36	Foreign securities newly issued in the United States.....	-32	-138	-5	-1	-10	-9	-8	-8	-	-	-	-
37	Redemptions.....	24	48	15	0	18	6	8	8	-	-	-	-
38	Other transactions in foreign securities.....	-66	-32	-1	-3	-24	-5	-294	31	11	22	5	-6
39	Claims reported by U.S. banks:												
40	Long-term.....	47	28	-9	9	-10	43	24	-23	1	-5	-10	-5
41	Short-term.....	85	-380	-20	-106	2	-210	-228	-458	144	-224	183	-560
42	Claims reported by U.S. residents other than banks:												
43	Long-term.....	-134	-173	-20	-7	-100	-15	-13	-1	-16	-8	23	1
44	Short-term.....	30	-121	-65	-40	-18	11	-25	-78	-42	-13	-2	-70
45	Transactions in U.S. Government assets, excluding official re-												
46	sources assets, net: increase in assets (-).....	-654	-511	-123	-187	-106	-130	6	62	52	-23	9	23
47	Loans and other long-term assets.....	-576	-544	-200	-245	-172	-227	-148	-161	-94	-48	-20	-36
48	Foreign currencies and other short-term assets.....	3	-11	-1	-6	(*)	-4	18	0	(*)	6	3	2
49	Repayments on credits:												
50	Scheduled.....	316	348	78	98	72	100	130	92	25	21	20	16
51	Nonscheduled (including sales of foreign obligations to												
52	foreigners).....	2	(*)	(*)	(*)	(*)	(*)	(*)	121	81	(*)	(*)	40
53	Transactions in U.S. official reserve assets, net: increase in												
54	assets (-).....	46	121	7	9	4	111	(*)	119	(*)	(*)	(*)	116
55	Gold.....	44	121	7	9	4	111	(*)	119	(*)	(*)	(*)	116
56	SDR.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
57	Convertible currencies.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
58	Gold transfer position in IMF.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
59	Transactions in foreign assets in the United States, net: increase												
60	in foreign assets (U.S. liabilities) (+).....	629	-966	379	241	-948	-288	668	1,078	28	-28	83	971
61	Direct investments†.....	11	-2	-0	5	4	-4	-34	-10	-18	-47	-2	68
62	U.S. securities other than Treasury issues.....	163	00	28	-32	10	63	5	12	1	2	4	6
63	Long-term liabilities reported by U.S. banks.....	-332	-112	-42	-10	-94	37	-3	-232	-10	-00	-08	-02
64	Other liabilities reported by U.S. private residents other												
65	than banks:												
66	Long-term.....	48	30	-8	-6	18	32	11	16	-	3	2	10
67	Short-term.....	2	54	(*)	32	35	-10	45	-6	-11	-18	23	2
68	Nonmarketable liabilities of U.S. Government, including												
69	medium-term securities and long-term obligations pay-												
70	able prior to maturity only under special conditions:												
71	Associated with specific transactions.....	12	-21	-5	-10	-13	4	22	-2	-3	0	-6	-1
72	Other medium-term securities and long-term obliga-												
73	tions.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
74	U.S. Treasury marketable or convertible bonds and notes.....	3	8	1	2	3	3	62	(*)	(*)	(*)	(*)	(*)
75	Deposits and money market paper held in the United												
76	States.....	628	-696	202	284	-917	-605	460	1,336	121	87	131	908
77	Balance on transactions in U.S. and foreign liquid and non-												
78	liquid assets, including reserves (lines 32, 41, 48, and 51).....	-65	-2,036	-71	-216	-1,341	-784	-17	637	269	-219	362	435
79	Allocation of special drawing rights (SDR).....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
80	Errors and omissions, and transfers of funds between foreign												
81	areas, net: receipts by foreign areas (-).....	-1,260	789	-47	-290	916	100	1,780	973	10	785	296	-38

† Lines 32, 38, 39, 40, 54, 55, 56, 60, 61, and 63 have been revised.
* Revised. † Preliminary. ‡ Less than \$500,000 (±).

1. Includes transactions with shipping companies operating under flags of Honduras, Liberia, and Panama.
2. Excludes undistributed profits of subsidiaries.

Transactions, by Area—Continued
of (dollars)

Australia, New Zealand and South Africa						Other countries in Asia and Africa								International organizations and unallocated ¹								Lines
1968	1970*	1970				1968	1970*	1970				1968	1970*	1970								
		I†	II†	III†	IV†			I†	II†	III†	IV†			I	II	III	IV†					
2,048	2,457	569	599	683	817	1,541	10,320	2,524	2,849	2,456	2,796	767	738	144	134	153	349	1				
2,048	2,457	569	599	683	817	1,541	10,143	2,419	2,780	2,354	2,662	767	738	144	134	153	349	2				
1,384	1,081	380	391	439	306	5,014	6,883	1,278	1,491	1,320	1,486							3				
103	107	18	20	59	37	457	623	98	236	97	161							4				
						420	377	106	132	82	89							5				
98	119	25	27	33	28	538	614	143	147	162	151	236	270	63	68	72	70	6				
																		7				
20	44	8	11	14	11	80	94	15	24	33	23							8				
35	90	22	20	18	39	121	184	26	27	25	26	20	22	5	4	7	5	9				
94	105	27	26	26	25	255	250	45	85	83	98	139	140	37	37	37	37	10				
1	1	(*)	(*)	(*)	(*)	183	150	25	38	38	39											
209	249	98	94	57	62	1,087	2,015	516	544	489	528	208	201	10	8	3	183	11				
50	82	12	19	12	14	232	266	69	93	69	82	70	84	20	13	30	13	12				
24	25	2	11	2	11	290	314	78	80	68	86	1	15	1	9	4	13	13				
-1,258	-1,358	-339	-330	-364	-343	-7,296	-7,722	-1,858	-1,938	-3,991	-1,935	-830	-928	-218	-297	-272	-222	14				
-1,055	-1,125	-270	-255	-300	-285	-4,263	-4,722	-1,189	-1,158	-1,221	-1,234							15				
-42	-47	-13	-12	-11	-19	-2,836	-1,924	-486	-500	-466	-490							16				
-30	-38	-22	-23	-23	-21	-375	-389	-73	-78	-84	-78	-530	-484	-140	-161	-166	-136	17				
-28	-32	-10	-9	-8	-8	-133	-187	-34	-46	-55	-42							18				
-4	-7	-2	-2	-2	-2	-17	-26	-6	-8	-7	-7							19				
-28	-23	-5	-8	-5	-7	-246	-249	-39	-51	-55	-55	-96	-118	-12	-1	-53	-44	20				
-24	-26	-8	-5	-7	-6	-219	-237	-70	-94	-56	-45	-64	-113	-22	-24	-30	-25	21				
-8	-16	-2	-2	-3	-3	-75	-71	-15	-17	-10	-17	-106	-120	-33	-30	-39	-27	22				
758	1,301	220	279	338	274	2,245	2,798	898	912	485	815	-83	-199	-74	-74	-129	77	23				
758	1,101	258	278	338	274	1,825	2,121	861	788	353	727	-83	-199	-74	-74	-129	77	24				
-23	-23	-4	-6	-6	-7	-2,234	-2,278	-687	-686	-532	-643	-135	-163	-56	-54	-27	-28	25				
-23	-23	-4	-6	-6	-7	-1,834	-1,901	-802	-474	-479	-463	-135	-163	-56	-54	-27	-28	26				
-18	-19	-3	-5	-5	-5	-440	-500	-144	-156	-237	-123	-2	-2	-1	-1	(*)		27				
						-420	-377	-105	-132	-32	-32							28				
						-1,284	-1,317	-334	-257	-300	-300	-134	-153	-35	-54	-27	-38	29				
-3	-4	-1	-1	-1	-1	-116	-125	-28	-31	-33	-33							30				
758	1,075	226	272	318	267	11	515	54	368	-117	273	-180	-345	-118	-125	-144	38	31				
-71	-274	-184	-147	35	-47	-639	-506	-242	-214	142	6	-363	-305	11	-11	-243	-43	32				
-123	-288	-124	-123	18	-85	-415	-388	-173	-300	42	123	-310	-143	18	-35	-77	-73	33				
22	3	4	3	4	3	41	23	7	6	0	0	28	60	20	27	11	11	34				
1	9	4	3	4	-1	14	12	-1	-2	1	14	21	14	1	-2	14	-1	35				
58	58	31	15	-4	18	90	82	7	58	27	-40	(*)						36				
3	-23	-12	-8	-4	-0	-184	-3	-30	-87	80	34			-1	1	(*)	(*)	37				
-1	-2	-1	-8	-4	11	-68	-20	-14	-3	7	-10							38				
4	-17	-1	-27	20	-0	-3	-77	9	-56	0	-20	(*)	-1		-1			39				
-44	-56	-25	19	-72	21	-1,336	-1,234	-287	-484	-283	-272	-43	-53	-25	-12	3	-25	40				
-115	-145	-19	-28	-74	-21	-1,748	-1,040	-446	-482	-380	-382	-45	-59	-32	-12		-16	41				
-3	2	1	(*)	(*)	1	88	-42	22	-65	7	-6							42				
74	85	3	35	4	42	382	430	111	113	90	110	4	5	3		4		43				
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Table 9.—Changes in Reported Foreign Gold Reserves, SDR Holdings (Excluding Allocations), and Liquid Dollar Holdings Through Known Transactions With the United States and Through Other Transactions, by Area¹

(Millions of dollars)

Line		1960	1970*	1969				1970			
				I	II	III	IV	I	II	III	IV
	All areas:										
1	Total increase.....	7,112	6,016	1,413	2,781	2,902	-934	1,748	1,897	1,649	221
2	Through known transactions with the United States.....	7,011	4,719	1,270	2,815	2,879	-1,045	1,654	1,431	1,639	98
3	Through other transactions.....	101	1,297	143	-84	-71	112	194	-84	10	121
	Western Europe, including United Kingdom:										
4	Total increase.....	5,323	3,752	857	4,154	2,527	-2,195	1,901	1,143	1,874	-1,326
5	Through known transactions with the United States.....	-1,405	-1,387	-899	904	730	-2,304	925	-453	12	-1,084
6	Through other transactions.....	5,838	5,139	1,753	3,100	1,817	109	136	1,605	1,862	279
	United Kingdom:										
7	Total increase.....	5,074	-4,353	3,641	2,613	911	-790	-248	-5	-747	-3,155
8	Through known transactions with the United States.....	837	-830	241	376	406	-185	125	1	-80	-825
9	Through other transactions.....	5,137	-3,514	3,400	2,236	-95	-605	-373	-6	-667	-2,329
	Eastern Europe:										
10	Total increase.....	9	7	-12	5	8	8	-16	21	-18	26
11	Through known transactions with the United States.....	-65	-121	-2	-1	-25	-28	-29	-25	-27	-22
12	Through other transactions.....	64	128	-9	6	31	36	12	46	9	48
	Canada:										
13	Total increase.....	1,095	-91	230	27	311	467	-340	-121	403	45
14	Through known transactions with the United States.....	1,095	818	266	444	567	599	-436	-414	683	761
15	Through other transactions.....	-991	-917	4	-417	-246	-302	96	283	-280	-557
	Latin American Republics and other Western Hemisphere:										
16	Total increase.....	850	-770	131	131	183	556	363	250	-624	-457
17	Through known transactions with the United States.....	-285	211	8	-82	-69	-140	223	74	9	-102
18	Through other transactions.....	1,235	-981	112	133	252	696	140	176	-633	-275
	Japan:										
19	Total increase.....	678	1,482	229	-105	177	277	169	95	183	1,009
20	Through known transactions with the United States.....	2,301	2,420	194	831	651	895	133	704	427	1,079
21	Through other transactions.....	-1,723	-947	35	-936	-474	-340	36	-606	-244	-77
	Australia, New Zealand, and South Africa:										
22	Total increase.....	-63	-241	205	-104	-244	50	-43	-13	-25	-264
23	Through known transactions with the United States.....	-785	-715	-188	-105	-87	-318	-107	-135	-208	-207
24	Through other transactions.....	692	474	393	91	-167	368	65	122	241	-54
	Other countries in Asia and Africa:										
25	Total increase.....	399	-384	-123	-183	169	425	419	-122	-181	-484
26	Through known transactions with the United States.....	2,447	1,824	988	940	588	271	623	870	315	140
27	Through other transactions.....	-2,148	-2,198	-850	-1,103	-240	184	-172	-1,011	-306	-606
	International organizations and unallocated:										
28	Total increase.....	-1,120	3,338	-125	-204	-246	-442	173	203	207	1,688
29	Through known transactions with the United States.....	87	439	-69	144	-6	11	-4	66	258	121
30	Through other transactions.....	-1,210	1,908	-72	-348	-240	-453	177	136	20	1,466

* Revised. * Preliminary.
1. Total increase represents changes in reported gold reserves and in SDR holdings (excluding allocations) of foreign central banks and governments (including international organizations but excluding the countries of the Soviet bloc) not at convertible currencies included in U.S. official reserve assets (table 1, line 17), plus changes in foreign liquid claims on the United States (table 1, lines 20 and 21), plus net changes in IMF positions of foreign countries through U.S. dollar transactions (table 1, line 22). (Allocations of SDR received by foreign countries on January 1, 1970—not included in these data—were as follows (in millions of dollars): total, 2,647; United Kingdom, 410; Other Western Europe, 884; Eastern Europe, 0; Canada, 124; Latin America, 330; Japan, 122; Australia, New Zealand, and South Africa, 144; Other countries, 223.)

Changes through known transactions with the United States represents for each of the separate areas shown the total (with sign reversed) of lines 31, 32, 41, and 23 through 25 in table 8. For "All areas" line 63 is also included.

Changes through other transactions equals "Total increase" less "Changes through known transactions with the United States". For "All areas" this difference represents known acquisitions (+) or sales (-) of gold by foreign central banks and governments outside the United States. The net acquisitions of gold equal the excess of new gold production abroad plus sales by the Soviet bloc less net gold purchases by others. For each of the separate areas shown the difference reflects net receipts (+) or payments (-) of gold, SDR, and dollars resulting from their transactions with countries other than the United States, net changes in their convertible currencies included in U.S. official reserve assets resulting from U.S. transactions with other areas, and from unrecorded transactions with the United States. 2. Includes transactions with shipping companies operating under the flag of Honduras, Liberia, and Panama.

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.